

THE FINANCIAL HISTORY OF BALTIMORE 1900-1926

BY
LEONARD OWENS REA

A DISSERTATION

Submitted to the Board of University Studies of the Johns
Hopkins University in Conformity with the Requirements
for the Degree of Doctor of Philosophy
1928

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BALTIMORE

1929

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PREFACE

This study is the result of an investigation carried on while the writer was a member of the Economic Seminary of the Johns Hopkins University. It is an attempt to bring up to date in a formal and concise manner the financial history of Baltimore; an account of the finances of Baltimore from 1729 to 1897 was ably written by Professor Jacob H. Hollander.

The writer is indebted to many persons for aid in the preparation of these pages, especially to his teachers—Professor J. H. Hollander and Professor G. E. Barnett, under whose guidance the study was made. The author also wishes to express his appreciation for the valuable assistance rendered him by public officials of the city, particularly by Dr. H. E. Flack, the Executive of the Department of Legislative Reference; Mr. Herbert Fallin, the Chief of the Bureau of Disbursements, and Mr. W. R. Lyon, the Deputy Register. In addition, he wishes to thank Professors J. P. Pritchard and R. Jenkins of Catawba College for helpful criticism.



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THE FINANCIAL HISTORY OF BALTIMORE 1900-1926

CHAPTER I

MUNICIPAL ADMINISTRATION

The Corporate Powers.—Until 1898, the original charter of 1796, encumbered with a mass of amendatory enactments, served as the basis of the municipal government of Baltimore.¹ As a consequence of a political upheaval resulting from a wide-spread desire for reform and from an overwhelming independent vote in the election of 1895, a bitter dispute arose between the mayor and the city council over the former's power of appointment.² This struggle, besides calling forth a storm of popular protest, incidentally revealed the possibilities of maladministration inherent in the old form of municipal government and stimulated intelligent discussion as to the desirability of reorganization.³ The trend of events culminated finally in 1898⁴ with the enactment of a new charter which represented "a conservative adaptation of the accepted principles of municipal reform to local requirements and established usage."⁵

The attitude of the public at this time was not favorable to any radical changes in the administrative structure of the government, and, therefore, the charter commission of 1898 followed the line of least resistance.⁶ The instrument drafted

¹ Jacob H. Hollander, *The Financial History of Baltimore*, 203.

² Jacob H. Hollander, *Notes on Municipal Government*, in *The Annals of the American Academy of Political and Social Science* (1896), VII, 506.

³ Hollander, *Financial History*, 356.

⁴ *Laws of Md.*, 1898, ch. 123.

⁵ Hollander, 358.

⁶ B. Howell Griswold, Jr., "The Proposed New Charter of Baltimore"; reprint of a series of articles in the *Baltimore Sun*, June 27—July 11, 1910.

by this body, altho it incorporated numerous reforms,⁷ left much to be desired, and in the course of time proved to be somewhat defective in its operation. In retaining the bicameral council and dividing the power of appointment between the mayor and the higher branch of the council, the principle of definite responsibility was disregarded. This principle was further ignored by the absence of measures for the supervision by the mayor of the actual expenditure of appropriations and of the execution of contracts. Also, several functions were duplicated, and harmony and coordination among the administrative departments were noticeably lacking.

The Mahool Charter,⁸ designed to correct these evils, was introduced into the legislature in 1910, but it was defeated. The same charter was proposed during the legislative session of 1912, and it was defeated again. The defeat was the result of radical amendments which were made by the city delegation, who, undoubtedly, were influenced by the opposition of the city politicians to the reforms of the measure. The basic theory of the original draft—the centralization and concentration of powers in a responsible chief executive—was completely reversed.⁹ The advocates of reform hoped for the approval of the Mahool charter in 1914, but before this time several of the most glaring defects in the local government were remedied by changes in the old charter,¹⁰ and public interest became absorbed in “home rule.”

As a consequence of public demand for “home rule,” the

⁷ The most vital reform in the organic laws was in the transfer of wide financial powers from the city council to the mayor with the intent of centralizing financial responsibility. The cherished powers of the city council to appropriate public moneys, to enact ordinances for public improvements, to fix the tax rate, to make the terms of public franchises, to award contracts for municipal work, and to purchase supplies were transferred to the board of estimates and to the board of awards. The mayor practically controls both of these boards.

⁸ Ordinance of July 26, 1909, No. 372.

⁹ Baltimore News, March 13, 1912; Baltimore Sun, March 19, 1912; Baltimore American, April 16, 1912.

¹⁰ Baltimore Sun, February 5, 1912; Laws of Md., 1912, ch. 429, 1914, ch. 852.

general assembly passed a "home rule" amendment to the constitution, which was approved at the general election of 1915.¹¹ The counties and the city of Baltimore were empowered, without the sanction of specific legislative acts, to initiate and to enact local laws governing themselves within the general grant of powers expressly allowed to them by the legislature. In compliance with this constitutional amendment, a home rule charter for Baltimore was drafted and was ratified by the electorate in 1918. The home rule charter was practically a reenactment of the existing charter of 1898 with such amendments as had been made subsequently by the general assembly. No radical changes in the organic laws were proposed for fear that home rule,¹² which was greatly desired by the advocates of reform, might be defeated.

Even had the charter commission so desired, it was not possible at this time to replace the bicameral council with a unicameral chamber in accordance with the recent proposals for reform, because the authority to change the local legislature was expressly vested in the general assembly, and because this authority was not delegated to the municipality by the home rule amendment.¹³ Not until 1920 were the general powers of the city enlarged to permit it to make advisable changes in its administrative organization.¹⁴ The charter was amended in 1922 as a consequence of this power, and the bicameral council, which had been a characteristic institution of the local government for more than a century, was superseded by a unicameral chamber.

The corporate limits of the city were extended in 1918 by the annexation of parts of Anne Arundel and Baltimore

¹¹ Laws of Md., 1914, ch. 416.

¹² Provision was made for the incorporation of all city employees into a merit or civil service system, a measure toward which public opinion was favorable. This system was effected in 1920. (*Municipal Journal*, April 9, 1920, p. 2).

¹³ Constitution of Maryland, article XI, XI-A. In 1918 a bill was introduced into the general assembly providing for the delegation of such powers to the city, but it was not considered in the rush of legislative business. (Senate Bill No. 301).

¹⁴ Laws of Md., 1920, ch. 555.

Counties.¹⁵ The most important results of this legislation were the extension of municipal jurisdiction over the entire harbor and water front, and the extension of municipal control over the problems of sanitation and health, police and fire protection, and street planning in these newly acquired sections.

Administrative Machinery.—In the last quarter of a century, there have been no radical departures from the general administrative framework of the municipal government that was set up by the charter of 1898. New services have been created with the growth of municipal functions, individual departments and related services have been reorganized, and from time to time reforms have been made in administrative methods and procedure. Characteristic of the local government, special commissions have been created by acts of the general assembly to perform specific functions, such as the construction of public improvements and the administration of services. Also, extra-legal bodies, created by local ordinances and resolutions, have been vested with powers to investigate the efficiency of governmental machinery, to obtain facts related to governmental problems, and to advise reforms.

Large treasury deficits appearing between 1920 and 1923 indicated the need for reform. Upon the invitation of the mayor, the largest tax-payers named representatives to form the Commission on Efficiency and Economy, which made a comprehensive survey of the operating methods of the local government.¹⁶ To facilitate the changes recommended by the commission, the mayor and city council were authorized by an amendment to the charter to reorganize any department by ordinance within a period of two years.¹⁷

¹⁵ Ibid., 1918, ch. 82.

¹⁶ Mayor's Messages, 1923-27.

¹⁷ Resolution No. 4, Approved September 26, 1924. It was doubted if the municipality had the power under its charter to reorganize its governmental machinery in this manner, so specific authority was obtained from the legislature. This act prohibited any change in the status of the Public Improvement Commission. (Laws of Md., 1924, ch. 418).

The engineering services thru the lack of proper coördination had been the source of constant controversy.¹⁸ Upon the recommendation of the commission, the department of public improvements was abolished and a department of public works was created in accordance with a plan strikingly similar to that proposed in the Mahool charter. The water board, the electrical commission, the topographical survey commission, and the paving commission were abolished. These services were organized into eleven bureaus, each under the control and direction of a single head or chief, who was appointed by the mayor. Two new services were incorporated under the department of public works: the bureau of transportation and the bureau of stores, whose respective functions were to house and to repair all motor vehicles owned by the city and to store the supplies of the various bureaus. In addition, provision was made for a chief engineer, who was appointed by the mayor, to direct, to control, and to coördinate the activities of these bureaus, and to decide all engineering questions involved in public improvements.¹⁹

Financial Machinery.—In response to the demand for higher standards of municipal efficiency, more business-like methods of procedure and of operation were adopted within the department of finance. The accounting system, which had been the makeshift of numerous administrations, was revised in 1915 after it was disclosed that departmental deficits were carried over from year to year without detection.²⁰ But even after this revision, the system was defective. To subject it to an accurate audit was impossible. The accounts

¹⁸ Report of the Charter Revision Commission of 1910, p. 7.

¹⁹ Ordinance of July 7, 1925, No. 450. Ordinance of February 1, 1926, No. 256. Resolution No. 7, September 27, 1926.

²⁰ Municipal Journal, February 5, 1915, p. 1. The city officials were influenced by the wide-spread agitation about 1900 for uniform systems of municipal accounting by means of which it was possible to compare governmental costs. In the report of the comptroller of 1901 and in each report until 1914, the revenues and expenditures were analyzed in accordance with the first uniform schedules. The author has reclassified the figures in the reports of the comptroller from 1900 to 1913 inclusive in accordance with the schedules which were adopted and which have been in use since 1914.

of the various departments did not compose integral parts of a whole. All accounts were kept upon a "cash received" and a "cash disbursed" basis without any attempt to record accounts receivable or accounts payable or to keep any statistics relating to materials, supplies, or costs. To remedy these conditions, the Commission on Efficiency and Economy evolved and effected an accounting system with the proper controls for the municipal corporation as a whole.²¹

The adoption of this accounting system involved numerous changes in the organization of the sub-departments of the department of finance. The office of the collector of water rents and licenses was abolished, and a bureau of receipts, under the management of the city collector, was established to make all bills and to collect and to account for all municipal revenues.²² A bureau of disbursements, under the control of the comptroller, was created to receive all bills directly and to pay all bills promptly. Under the old system each department had received its own bills, which were forwarded to the comptroller for approval before payment. This procedure, besides causing unnecessary duplication of work in handling disbursements, made it impossible to prevent deficits because the comptroller had no knowledge of expenditures until bills were presented for payment. A central payroll bureau and a bureau of audits²³ were also established.

The mayor, the city solicitor, the city register, the comptroller, and the president of the second branch of the city council, as provided for in the charter of 1898, have functioned continuously as the board of awards. This board receives bids and awards contracts for municipal needs and improvements for amounts over five hundred dollars. To stimulate competitive bidding and to centralize the open market purchases of the various departments for amounts under five hundred dollars, the board of awards in 1913 established

²¹ Mayor's Message, 1923-27, pp. 21-35.

²² Ordinance of May 28, 1924, No. 186. Ordinance of October 22, 1926, No. 844.

²³ Ordinance of February 1, 1926, No. 555.

the office of the city storekeeper,²⁴ who was later superseded by the city purchasing agent.²⁵ Considerable progress was made toward the standardization of supplies and the consolidation of purchases. An ordinance of 1922 gave the city purchasing agent a legal status and made it mandatory on all the departments to make their purchases thru this official.²⁶ Upon the recommendation of the Commission on Efficiency and Economy, the charter was amended to provide for the appointment of the city purchasing agent by the mayor.²⁷

The Budget.—The charter of 1898 made its most radical departure from the form and procedure of the old municipal government by the creation of the board of estimates, which was vested specifically with the authority to draft the annual budget. The powers of the city council to appropriate public moneys and to set the tax rate, as well as the power to grant public franchises, were transferred to the board of estimates. This board is composed of five members: the mayor and two of his appointees, the city solicitor and the comptroller, the president of the second branch of the city council, and the president of the department of public improvements.²⁸ The intent of this arrangement was to centralize financial responsibility in the mayor.

The board of estimates submits to the city council upon three separate lists the amounts required to conduct the several branches of the municipal government, the amounts

²⁴ Municipal Journal, October 24, 1913; January 22, 1915.

²⁵ Mayor's Messages, 1919-23.

²⁶ Ordinance of December 7, 1922, No. 779.

²⁷ Ordinance of October 22, 1926, No. 846. In the future centralized purchasing should attain better results because the prerequisites for the successful operation of such a system—a direct line of authority over the using agencies, a centralized control over the stores on hand, and a strict accounting control—have been provided by the organization of the department of public works and the bureau of disbursements.

²⁸ The president of the second branch of the city council was superseded by the president of the unicameral council, and the president of the department of public improvements was superseded by the chief engineer of the department of public works.

required for new improvements, and the annual amounts required in accordance with existing legislation for various purposes. The city council has the privilege of reducing any item, except those fixed by law, but it is legally prohibited from inserting any new items, increasing any item, or diverting by subsequent legislation any appropriation from the purpose for which it was originally designed. The board of estimates also obtains from the proper municipal authorities the data as to the estimated revenues of the city from other sources than taxation and data as to the taxable basis for the coming year.²⁹ It then sets a rate of taxation upon the taxable basis which will produce an income sufficient to meet the difference between the expenditures provided for in the ordinance of the estimates and the revenues other than from taxation. The mayor and the city council are forbidden to set a rate of taxation lower than that necessary to produce the revenues required by the budget. This procedure was designed to avoid the evils of fiscal deficits.

In addition to its expressed powers, the board of estimates assumed very early a power that nullified the prerogative of the city council to enact ordinances for public improvements. When such ordinances were referred to the board of estimates for its approval, they were held until the fall and considered in connection with the budget of the next year.³⁰ Also the

²⁹ The charter required that the assessment roll contain an alphabetical list of the persons liable to taxation and the assessable values of their properties. Although such information was to have been obtained from the appeal tax court, it was in reality obtained from the city collector from data of assessments and of abatements furnished by the local assessing authorities. The explanation of this procedure lies in the fact that the records of the appeal tax court were kept in accordance with the block system while those of the city collector were arranged alphabetically. The charter was amended in 1914 providing that the statement of the assessable value of property to the board of estimates should be made by the appeal tax court according to blocks. A similar statement is sent to the city collector. After this reform in procedure, the records of the city collector were rearranged to correspond with those of the appeal tax court. (Report of the Appeal Tax Court, 1914, p. 6; Laws of Md., 1914, ch. 532; Charter of 1898, section 171).

³⁰ Griswold, 4.

old and clumsy practice of obtaining a legislative act in order to change the salary of a municipal official was abandoned in 1906, and under the authority of an amendment to the charter, such powers were vested in the board of estimates.³¹ The act expressly provided, however, that the increase or decrease in salary must be inserted as an item in the ordinance of the estimates and must be approved by the mayor and the city council. The salary of an official may not be changed more than once during a term of office.

³¹ Laws of Md., 1906, ch. 459.

CHAPTER II

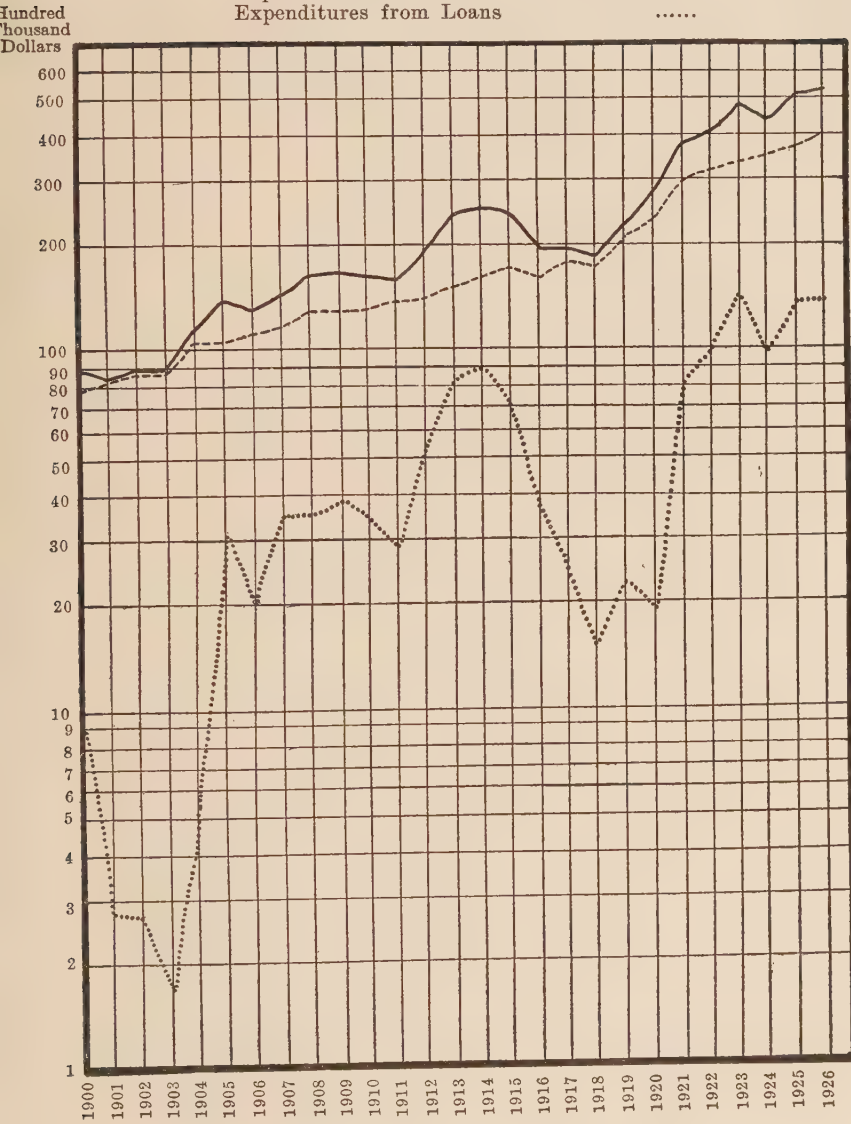
MUNICIPAL EXPENDITURES

The development of Baltimore in the last twenty-five years into a metropolitan city has been marked by enormous increases in municipal expenditures. The budgets of recent years have been four to five times greater than that of 1900. This change has come about chiefly in response to a rising social consciousness demanding higher standards of municipal comfort, health and efficiency. Also the steady expansion of the city services, incident to the growth of the population, and the general rise of the price levels since 1919 have been factors of considerable importance. Municipal outlays have varied from year to year more in degree than in kind and in their totality show a steady upward trend. A sanitary storm water and sewage drainage system, repeated projects to provide a pure and adequate water supply, the development of the harbor and its facilities for trade and industry, the extension of conduits, smooth highways, and outlays for public education, particularly in recent years, have constituted the most important items of municipal expenditure. Also, the outlays for the interest and retirement charges upon the funded debt have been expenditure items of considerable importance, as, in the financing of these costly public improvements, resort has been had constantly to long term loans.

Revenues thruout the period have determined expenditures reversing the ordinary rule of public finance that expenditures determine revenues. The mainstay of the revenue system has been the general property tax, as the income from other sources has been relatively unimportant. Municipal expenditures until 1915 increased continuously at a fairly uniform rate with the gradual growth of the taxable basis, upon which a tax rate as high as was politically expedient was levied. During the war, municipal activities were reduced to a minimum, and expenditures decreased correspondingly until 1919, when the effects of the rapidly rising

RATIO CHART OF MUNICIPAL EXPENDITURES.

Total Expenditures —
 Expenditures from Current Income - - -
 Expenditures from Loans
 Hundred
 thousand
 Dollars



price level were beginning to be felt. After the war, expenditures rose rapidly incident to the renewal of municipal activities upon an even larger scale and to the increased costs of labor and materials. The policy of resorting to funded loans was pursued vigorously, and enormous loans were authorized and expended in continuing the construction of public improvements thruout the rapidly expanding city and the newly annexed territory.

GENERAL GOVERNMENT

Legislative, Executive, Elections, and Miscellaneous.—The expenditures for the general administration have increased about three fold since 1900. The expenses of the legislative department have remained fairly constant, in fact showing a decrease after the creation of a unicameral council; while, on the other hand, the expenditures of the executive department, for elections¹ and miscellaneous items have steadily risen, indicating the growth of the population, the expansion of the city services, and the assumption of new functions. The general rise in the price levels, necessitating increases in the salaries of municipal officials and employees, contributed materially toward the larger governmental costs.

The Annexation Act of 1918 provided that the city should pay to Baltimore and Anne Arundel Counties a reasonable sum, to be agreed upon after arbitration, for the police stations and for the schools and fire engine houses and their apparatus and equipment in the newly acquired territory. The value of such properties in that portion of the New Annex that was formerly a part of Anne Arundel County was set at \$200,000 and the value of those in the portion formerly being a part of Baltimore County at \$750,000. The city agreed to pay these sums in ten annual installments, the agreement with Baltimore County providing that the unpaid

¹ The Supervisors of Elections, appointed by the governor, control the elections, the outlays incident thereto being defrayed by the city.

portion should bear six per cent interest. These expenditures are charged to miscellaneous general government.²

Courts.—Since the incorporation of the local judiciary into the eighth judicial district of Maryland in 1867,³ the system has been enlarged by the creation of another circuit court in 1888⁴ and another criminal court in 1897.⁵ The number of judges has been increased from five to eleven.⁶ The salaries have also been increased, from \$3500 to \$4500 in 1892,⁷ and to \$6875 in 1922.⁸ The privilege of the city to add at its option \$500 to the compensation of the judges was amended in 1926 to permit the payment of such additional sums as the city deemed proper.⁹ Also the salaries of the judges of the orphans' court¹⁰ and the salaries of the bailiffs, criers, and court stenographers,¹¹ which are direct charges upon the municipal treasury, were increased.

The local judiciary was further modified by the creation of several new courts. In 1902 the juvenile court was established. In 1912 the people's court was established to administer justice in cases involving less than \$100, and in 1918 a traffic court was established.¹² The judges of these courts are appointed, like the police magistrates, from among the justices of the peace, by the governor. As in the past the entire cost of the administration of justice, with the exception of the salaries of the judges and the clerks, is borne by the municipal treasury.

Public Buildings.—After 1900, there were discussions as to a civic centre, and it was proposed that the land adjoining the

² Interview with Mr. Fallin.

³ Hollander, *The Financial History of Baltimore*, 237-239.

⁴ Laws of Md., Acts of 1888, ch. 194.

⁵ By rule of the Supreme Bench, see 87 Md. 191.

⁶ Maryland Manual 1924, p. 9.

⁷ Laws of Md., Acts of 1892, ch. 388.

⁸ Ibid., Acts of 1922, ch. 500 (Budget Bill).

⁹ Maryland Constitution, art. IV, sec. 31-A.

¹⁰ Laws of Md., Acts of 1920, ch. 71.

¹¹ Ibid., 1920, chps. 96, 97, 125; Acts of 1918, ch. 459; Acts of 1924, ch. 571.

¹² Ibid., Acts of 1902, ch. 611; Acts of 1912, ch. 893; Acts of 1918, ch. 85, sec. 159.

court house, the post office, and the city hall be acquired and used for the site of future municipal structures.¹³ To effect this plan a composite park extension, boulevard, and civic centre loan of three million dollars was authorized in 1908, but it was not submitted until 1917, when it was voted down.¹⁴ However, in 1912, after a survey by the Commission on the City Plan,¹⁵ the policy of appropriating \$100,000 annually for this purpose had been adopted,¹⁶ and the Board of Estimates was authorized by ordinance to acquire specific properties.¹⁷

In addition to the building projects in connection with the civic centre, an art museum is now in the course of construction, financed by a loan of one million dollars authorized in 1924.¹⁸ Provision has also been made for the erection of a new central building for the Enoch Pratt Free Library by the authorization of a three million dollar loan in 1927.¹⁹

PROTECTION OF PERSONS AND PROPERTY

Fire protection.—The expansion of the fire department has depended largely upon loans. In 1907 the Fire Engine House Loan of 1957²⁰ was authorized and expended for the construction of a new fire boat, for the extension of the fire alarm telegraph system, and for additional engine houses. Also, funds from this loan, with the aid of appropriations from the levy, financed the construction of a high pressure pipe line system thruout the business district, which was completed in 1912 at a cost of \$935,777.²¹ The survey of the city services in 1919 disclosed the inadequacy of fire protection,²² and the

¹³ Coyle, *Mayors of Baltimore*, 212; Mayor's Message, 1918, p. 6.

¹⁴ Below, p. 94.

¹⁵ Report of the Topographical Survey Commission, 1912, p. 30.

¹⁶ Mayor's Message, 1914, p. 44.

¹⁷ Ordinance of February 16, 1915, No. 576; Ordinance of Dec. 4, 1916, No. 197; Ordinance of June 13, 1917, No. 267.

¹⁸ Below, p. 102.

¹⁹ *Ibid.*

²⁰ Below, p. 95.

²¹ Mayor's Message, 1914, p. 24; Also see the statements of active loans in the Report of the Comptroller, 1915.

²² Mayor's Message, 1919-23, pp. 5, 32-37.

General Improvement Loan of 1920 included \$850,000 for improvements in the fire and police departments.²³ The larger part of this sum was allotted to the fire department and was expended by the Public Improvement Commission for general improvements and to acquire sites and to erect fire engine houses, particularly in the new Annex.²⁴ A new fire alarm telegraph system was installed in a modern building at a total cost of \$350,000, \$115,000 of which had been allotted from the improvement loan. Further improvements in the fire service will be provided from the composite loan of four million dollars for hospitals, for fire engine houses, and for police stations, that was authorized in 1927.²⁵

Police protection.—The local police force continues to be under the control of the state,²⁶ as it has been since the troublesome times of the Know Nothing Party in 1867. The actual regulation of the police department was vested until 1920 in a Board of Police Commissioners composed of three paid members, serving terms of two years and appointed by the governor,²⁷ to whom such power had been transferred in 1900 from the legislature.²⁸ As in the past, provision was made for minority representation, and the commissioners were required to be residents of the city for at least three years.

Frequent protests were made by succeeding municipal administrations against the unfairness of this arrangement under which the municipality paid the bill but had no voice in the management. Later arguments pointed out that this arrangement was inconsistent with that with other incorporated cities in the state, and was contrary to the principle of home rule.²⁹ This much controverted question of state or municipal control of the local police, and the question as to whether a single commissioner, receiving a salary of \$10,000

²³ Below, p. 99.

²⁴ Mayor's Message, 1927, pp. 142-144.

²⁵ Below, p. 102.

²⁶ Mayor's Message, 1918, pp. 44-46.

²⁷ The Charter, Revised Edition, 1915, sec. 740.

²⁸ Laws of Md., Acts of 1900, ch. 15.

²⁹ Mayor's Message, 1918, pp. 37-50.

annually for a term of six years, should supersede the Board of Police Commissioners was submitted to the people in 1920, in accordance with the provisions of two legislative acts passed in the same year.³⁰ The decision of the people was that there should be a single police commissioner of Baltimore appointed by the governor rather than by the mayor.³¹

The entire maintenance of the police service is charged to the city, which is specifically bidden to levy a tax sufficient to defray the expenditures of this department. In the event that the city refuses to make such a levy or the proper appropriations, the Board of Police Commissioners (the Police Commissioner) is authorized to issue certificates of indebtedness, in the name of the city, to secure the necessary funds.³² This power has never been exercised. In recent years, additional police stations and improvements have been provided for from loans. The Public Improvement Commission allotted sums to this service from the General Improvement Loan of 1920,³³ and the Police Station House Serial Loan 1925-49, that was authorized in 1910 but not submitted until 1923, provided for the erection of a new police building and additional police stations.³⁴ Further improvements in the police service will be provided for by the composite loan of four million dollars for hospitals, for fire engine houses, and for police stations that was passed by the legislature in 1927.

CONSERVATION OF HEALTH

The charter of 1898 abolished the old board of health and vested its duties in a single commissioner, who is appointed by the mayor.³⁵ Sanitary reforms, that had been repeatedly urged for many years, such as a modern sewerage and drainage system, the selection of a purer water supply and its filtration, a hospital for minor infectious diseases, an efficient

³⁰ Laws of Md., Acts of 1920, chps. 113 and 559.

³¹ Maryland Almanac, 1921, p. 114.

³² The Charter, sec. 747.

³³ Mayor's Message, 1927, pp. 142-144.

³⁴ Below, p. 102.

³⁵ Hollander, 232; The Charter, secs. 71-78.

street cleaning service, and the abandonment of the dump method of disposing of waste and refuse were accomplished during this period, improving the health of the city to an immeasurable degree. A system of medical examinations for school children,³⁶ the treatment of persons suffering with tuberculosis in their homes and in special dispensaries,³⁷ the efforts to exterminate flies and mosquitoes,³⁸ the regulation of tenement houses,³⁹ the more rigid regulation of the food and milk supply, and the establishment of venereal and obstetrical clinics have aided materially in decreasing sickness and in reducing the death rate.⁴⁰

In 1909,⁴¹ the Sydenham Hospital for the care of minor infectious diseases was opened upon the Hardesty tract adjoining the Bay View Asylum.⁴² The sum of \$25,000 and the proceeds from the sale of the old quarantine station and the eastern potter's field had been appropriated for this purpose in 1901.⁴³ In 1914, an enabling act for the loan of \$750,000 for the purpose of constructing a larger hospital was obtained, but it was not submitted to the people until 1920.⁴⁴ By means of this loan a new Sydenham Hospital composed of seven buildings was constructed near Lake Montebello and opened for service in 1924.⁴⁵ In the same year, the old morgue was replaced by a new and larger structure.⁴⁶ Further facilities for the hospitalization of communicable diseases will be provided for from the four million dollar composite loan authorized in 1927.

³⁶ Report of the Health Commissioner, 1905, p. 9.

³⁷ *Ibid.*, 1910, p. 16.

³⁸ Appropriations have been made for this purpose since 1906, and since 1915 the actual work has been performed under the direction of the Commissioner of Street Cleaning. (*Ibid.*, 1906, p. 11; Report of the Street Cleaning Commissioner, 1915, p. 10).

³⁹ Report of the Health Commissioner, 1910, p. 28.

⁴⁰ Death rate of the city: 1900, 21.01; 1905, 20.01; 1910, 19.22; 1915, 17.11; 1920, 15.34; 1926, 15.12.

⁴¹ Report of the Health Commissioner, 1909, pp. 13-14.

⁴² *Ibid.*, 1905, p. 14.

⁴³ *Ibid.*, 1901, pp. 13-14.

⁴⁴ *Below*, p. 102.

⁴⁵ Mayor's Message, 1925, p. 161.

⁴⁶ Report of the Health Commissioner, 1924, p. 12.

SANITATION AND PROMOTION OF CLEANLINESS

Sewers and sewage disposal.—Sanitation was one of the largest problems of the city in 1900. Altho the evils of natural drainage and cesspools upon which the city depended almost entirely were well known, not until 1906 was the construction of a modern sanitary system begun. Several investigations of the conditions and the costs of a sewerage system had been made prior to 1900,⁴⁷ and in 1902 the mayor recommended that the proceeds from the sale of the city's interest in the Western Maryland Railroad be expended for such an improvement. However, no action was taken⁴⁸ until 1904, when the mayor was authorized by a legislative act to appoint a bipartisan commission of six members "to project, construct, and establish" a sewerage system.⁴⁹ The project, as executed by the Sewerage Commission, consisted of two separate underground structures. The first of these was devised to carry the storm water from the streets to the harbor, the other the domestic sewage to a sewage disposal plant where the impurities of the waste were to be removed before it was passed into the Patapsco River. The sewage from the lower sections of the city, which would not flow by gravity, was to be pumped to the disposal plant.⁵⁰

⁴⁷ Coyle, *Mayors of Baltimore*, p. 131.

⁴⁸ Mayor's Message, 1902, p. 19.

⁴⁹ Laws of Md., 1904, ch. 349.

⁵⁰ The system was put in service in October, 1911, when the first house was connected thereto. In accordance with the act of 1904, creating the Sewerage Commission, the Health Department upon the completion of any part of the system ordered the property owners to make connections with the sewers and to remove all the old arrangements for the disposal of sewage. During 1912, the Highways Engineer supervised the connections with the sewers ordered by the Health Commissioner, but thereafter such duties were performed by the division of sanitation and plumbing of the health service. To enforce property owners to make connections with the sewers and also to aid property owners to meet the expense of such improvements, it was provided by ordinance that the city should bear the cost of such connections, the property owner repaying the city in five annual instalments at interest. Upon the resumption of extensive sewer construction in 1920, this ordinance was reopened. (Report of the Sewerage Commission, 1911, p. 7; Report of the Highways Engineer, 1912, p. 11; Mayor's Message, 1919-1923, pp. 55-56; Ordinance of December 28, 1911, No. 58.)

The Sewerage Commission was discharged in 1915, altho the system had not been extended to all sections of the city, and the duty of operating the system and extending its services reverted to the Highways Engineer (the City Engineer).⁵¹ In 1925, the Department of the Highways Engineer was abolished, and the control of the sewerage system was vested in the Bureau of Sewers of the Department of Public Works.⁵²

The appropriations for sewers from the general levy have been comparatively insignificant, twenty-three million dollars in loans having been authorized and expended during the regime of the Sewerage Commission. The costs of maintenance and operation as well as the expenses of construction were defrayed from the loans until 1915, when such expenditures were properly made the burden of the general levy.⁵³ The General Improvement Loan of 1920, which was to be expended under the supervision of the Public Improvement Commission, included eight million dollars for sewers, five of which were to be spent in the old city and three in the New Annex. In 1924 and in 1927 two additional loans of ten million dollars each were authorized and approved for the extension of the sewerage system.⁵⁴

⁵¹ Report of the Highways Engineer, 1916, p. 15.

⁵² Above, p. 13.

⁵³ See statements of active loans in the Reports of the Comptroller, 1906-1915.

⁵⁴ Below, p. —. The act that created the Metropolitan District of Baltimore County, providing for the extension of the municipal water service into the contiguous territory of the county, also provided for coöperation in the solution of the problem of sanitation. The municipality, Anne Arundel County, and Baltimore County were authorized to make agreements among themselves or with each other "for the disposal of sewage or drainage, by the connection of sewers or drains within the metropolitan District with those of Baltimore City or Anne Arundel County" or agreements with regard to any other matter necessary for the proper construction or operation of sewerage and drainage systems under the control of these political units. An agreement of this character had already been made in 1908 with Baltimore County before the outfall sewer to the disposal plant was laid thru the territory of this county. Baltimore County has the privilege of tapping the outfall sewer, the arrangement providing, however, that the county bear a fair portion of the cost of disposal and of the maintenance of the disposal plant. (See below note 166; Laws of Md., 1908, ch. 98.)

The collection and disposal of refuse.—The service of scavaging and cleaning the streets, which was a constant source of public dissatisfaction prior to 1898, on account of inefficient and extravagant management,⁵⁵ was reorganized by the new charter. The Commissioner of Street Cleaning, an appointee of the mayor, was placed in charge of this department, with full powers to control and direct its activities.⁵⁶ In 1925, the Department of Street Cleaning was changed to the Bureau of Street Cleaning, and the service became a sub-department of the newly created Department of Public Works.⁵⁷

Beginning with the new charter of 1898, cleaning of the streets was performed by private agencies under contract. However, the cleaning of the streets under this system soon became unsatisfactory, and this work has been done directly by the municipality since 1904.⁵⁸ Altho the contractors were satisfactorily and economically scavaging the streets, public opinion clamored for direct municipal service⁵⁹ until, in 1907, this function was also assumed by the Commissioner of Street Cleaning.⁶⁰ The municipal operation of these services continued until 1926, when the collection of non-perishable waste was performed under contract.⁶¹

Thruout the last twenty-five years, the city has contracted for the final disposition of perishable waste. The old method of dumping garbage within the city limits and then hauling it down the river for disposal was most unsanitary,⁶² and, in 1902, a contract was made for the reduction of such refuse in a local plant. This practice continued until 1918.⁶³ During

⁵⁵ Hollander, 220-222.

⁵⁶ The Charter, sec. 83.

⁵⁷ Above, p. 13.

⁵⁸ Report of the Commissioner of Street Cleaning, 1903, p. 4; 1904, p. 5.

⁵⁹ Ibid., 1906, p. 4.

⁶⁰ Ordinance of March 23, 1907, No. 245.

⁶¹ Mayor's Message, 1927, p. 119.

⁶² Mayor's Message, 1899, p. 51.

⁶³ Report of the Commissioner of Street Cleaning, 1904, p. 11. Upon the assumption of the operation of all the street cleaning services in 1907, the contract for the reduction of garbage made in 1902 was cancelled. The General Assembly at this time passed an

1917, investigations were made into the methods of western cities that were selling such waste,⁶⁴ but similar arrangements were impossible as the war prevented the organization of a company to meet the city's demands.⁶⁵ Recourse was then had to feeding the garbage to pigs⁶⁶ until 1923, when the city again contracted for the reduction of its garbage.⁶⁷

The problem of disposing of its garbage was settled very early, but that of non-perishable waste became more and more vexing with the passage of time. The customary method was to dump upon low land in order to make it fit for building purposes. This practice, besides being a menace to the public health, entailed larger and larger hauling costs as the dumps became fewer and farther from the center of the city.⁶⁸ Upon recommendation of the city engineer, a plan for the establishment of incinerating plants was adopted. The first of these was put in service in 1924 and was later enlarged to care for the rubbish of one-half of the city. It is expected that the revenue from salvaging articles from the waste will defray the operating expense of the plant and part of the costs of collection.⁶⁹

Many times in the past it was not unusual for the waste to accumulate thruout the winter because the cobblestone streets and alleys were impassable. To relieve the unsanitary conditions resort was had as late as 1912 to street cleaning crusades each spring.⁷⁰ However, the extensive construction of smooth streets and alleys and the construction of a sanitary sewerage and storm water system abated these evils.

Public baths and laundries.—The city in 1894 became

act prohibiting the erection of a reduction plant within the city limits, and the new contractors removed the plant to Bear Creek. (Ibid., 1909, p. 4; Laws of Md., Acts of 1908, ch. 205.)

⁶⁴ Ibid., 1917, p. 5.

⁶⁵ Ibid., 1918, p. 6.

⁶⁶ Mayor's Message, 1919-1923, p. 115.

⁶⁷ Ibid., 1925, p. 67.

⁶⁸ Report of the Commissioner of Street Cleaning, 1905, p. 7; 1907, p. 6.

⁶⁹ Mayor's Message, 1925, p. 67; 1927, p. 70.

⁷⁰ Report of the Commissioner of Street Cleaning, 1904, p. 6; 1912, p. 4.

interested in public baths, thru the efforts of several public-spirited citizens. A Free Public Bath Commission of four members was appointed, and, with a small appropriation, three bathing shores were maintained. This commission, in 1899, interested Mr. Henry Walters in the establishment of permanent baths. To initiate the movement, Mr. Walters made a gift of \$50,000 for the erection of two bath houses,⁷¹ the city undertaking their maintenance and operation.⁷² In 1905, Mr. Walters provided for the erection of a bath house for colored people⁷³ and in 1911 a third for white people.⁷⁴ In 1922, Mr. Walters announced his willingness to provide for a fifth bath house, but the increase in construction costs caused him to withdraw his offer. Instead he gave certain property to be held in trust by the Free Bath Commission for the site of a future bath house.⁷⁵ Around this nucleus of four Walters Baths,⁷⁶ the service has expanded until there are now fifteen additional baths, located in the public schools.⁷⁷

The commission heartily urged the construction of both public comfort stations in the market sections⁷⁸ and swimming pools in the parks to replace the open bathing shores which were abandoned because of the polluted water of the harbor.⁷⁹ There are now ten of these comfort stations, the first one of which was erected in 1908;⁸⁰ and there are five swimming pools in parks.⁸¹ The cost of these facilities has been met from the general treasury.

⁷¹ Report of the Free Bath Commission, 1901, pp. 15-22. The bathing shores were maintained by private contributions in 1896 when no municipal appropriations were made for this purpose.

⁷² Ordinance of March 5, 1900, No. 36.

⁷³ Report of the Free Bath Commission, 1905, p. 9.

⁷⁴ *Ibid.*, 1911, p. 14.

⁷⁵ *Ibid.*, 1922, p. 7; 1923, p. 13.

⁷⁶ *Ibid.*, 1919, p. 7. All the bath houses given by Mr. Walters have been located in the poorer sections of the city where the facilities for bathing are inadequate. Each of the institutions is equipped with a laundry for the use of the general public.

⁷⁷ Mayor's Message, 1927, p. 209.

⁷⁸ Report of the Free Public Bath Commission, 1904, p. 13; 1905, p. 11.

⁷⁹ *Ibid.*, 1903, p. 9; 1909, p. 13; 1911, p. 15.

⁸⁰ *Ibid.*, 1908, p. 8.

⁸¹ *Ibid.*, 1906, p. 4.

HIGHWAYS

Street paving and repair.—In 1911,⁸² the Paving Commission was established, under the authority of a legislative act of 1906, to plan and execute a program for smooth streets thruout the entire city. This commission, for which the City Engineer was the chief engineer, was composed of five members appointed by the mayor and holding office until the project was complete or the funds expended.⁸³ The power to construct a boulevard over the Jones Falls, which was practically an open sewer running thru the city, was delegated to the Commission on the City Plan⁸⁴ in 1910. Also many of the main routes thru the city, connecting with roads leading into the counties, have been paved since 1908. Such paving has been paid for from the city's distributive share in the State-roads loans and the automobile tax.⁸⁵

The vast street paving activities of this period, which have replaced the old cobble-stone streets with smooth highways, have been financed almost entirely by loans. However, appropriations for paving, as well as for maintenance and repairs, have been made from current revenues, and also paving assessments and a special paving tax have been levied.⁸⁶ Three loan issues, the first in 1904, one in 1910, and another in 1916, aggregating six and one-half million dollars, were authorized for the use of the Annex Improvement Commission. Sums were expended by the City Engineer from the Western Maryland Railroad Fund for paving in the burnt district,⁸⁷ and a loan of one million dollars was issued for the construction of the Fallsway. A paving loan of five million dollars and the proceeds of a special paving tax were expended by the Paving Commission, and the Public Improvement Commission thru the Paving Commission

⁸² Report of the Paving Commission, 1911, p. 3.

⁸³ Laws of Md., Acts of 1906, ch. 401.

⁸⁴ Ibid., Acts of 1910, ch. 110.

⁸⁵ Mayor's Messages, 1919-23, p. 86.

⁸⁶ Below, p. 74.

⁸⁷ Statements of the Western Maryland Railroad Fund in the Reports of the Comptroller.

expended the six and one-half million dollars authorized by the General Improvement Loan of 1920 for paving streets and erecting necessary bridges. Further provisions for the extension of the highways were provided in 1924 and in 1927, when paving loans of seven million and eight million dollars, respectively, were authorized.⁸⁸

Street reconstruction.—The charter of 1898 made no changes in the administrative machinery in control of the acquisition of property for the construction and reconstruction of streets.⁸⁹ Upon the passage of specific ordinances, the commissioners are authorized to levy assessments to the amount of the estimated benefits upon the property enhanced in value by the improvement, and to award damages for the property condemned.⁹⁰ When the damages exceed the benefits, such deficiencies are borne by the municipal treasury or are charged to loan funds available for that purpose. This policy was somewhat modified in 1914, after which time the commissioners assessed upon the property owners the entire costs of acquiring property necessary to street improvements when so directed by specific ordinance. In the same year, the procedure for opening streets was greatly improved by authorization to appropriate a fund from the levy or loans for the payment of damages for street openings, instead of waiting for the collection of the benefits before proceeding with the improvements. The benefits, when collected, are credited to this fund.⁹¹ All condemnation proceedings incident to the paving projects of the various public agencies were executed by the Commissioners for Opening Streets.

In 1904, after the great fire which swept away almost the entire business section, the public mind turned toward the rebuilding of a greater city. The Citizen's Emergency Committee, appointed to consider the situation, submitted a plan providing: first, for wider streets to care for an increasing

⁸⁸ Below, p. 101.

⁸⁹ Hollander, 218-219.

⁹⁰ The Charter, secs. 172-195. In the early years, a small sum was placed in the annual levy for this purpose.

⁹¹ Laws of Md., Acts of 1914, ch. 125.

traffic; secondly, a revised building code requiring structures more suitable for business; and thirdly, the development of the water front by a system of modern piers to be owned and operated by the municipality.⁹² To execute this plan, the mayor, in pursuance of a legislative act of 1904, appointed a Burnt District Commission. The power to initiate ordinances for improvements in the burnt area was conferred upon the commission, and, upon appropriations for these by the city council, the commission was to acquire the necessary property.⁹³

The commission, upon its entrance into office, accepted the plan outlined by the emergency committee and began its task, using the proceeds from the sale of the city's interest in the Western Maryland Railroad, which was authorized for this purpose, and funds from the six million dollar burnt district improvement loan.⁹⁴ By October, 1907, the commission had fulfilled its purpose,⁹⁵ in spite of serious handicaps arising from the lack of property maps, bitter councilmanic controversies over various improvements, and an antiquated condemnation law.⁹⁶

⁹² Reports of the Burnt District Commission.

⁹³ Laws of Md., Act of 1904, ch. 87.

⁹⁴ Below, p. 91.

⁹⁵ Report of the Burnt District Commission, Oct., 1907, p. 3. The total expenditure for the acquisition of property was \$7,425,318.32 which included water front property.

⁹⁶ The Constitution provided that, before private property could be taken for public purposes, the compensation must be settled and paid. This system encouraged property owners to hold out in the hope of obtaining a better price, and was the cause of indeterminable and costly delay to the City, by drawn out court proceedings. The Burnt District Commission had been authorized to accept surrenders of property, but this was entirely at the option of the owners, and few were willing to accede to such a proposition. The change in the condemnation law recommended by the Burnt District Commission was not obtained until 1913, when the constitution was amended to permit the city to take immediate possession of private property within the city limits, after paying into the court or to the owners the appraised value and giving bond for further amounts as might be awarded by a jury upon appeal. In 1914, a general condemnation law was enacted providing for the trial of such cases "before a jury in court" rather than "before a sheriff's jury" and for the immediate possession of the property upon giving the proper bond. Under this act, which, however, does not apply to the opening, closing, or

Bridges.—The erection and maintenance of bridges has been supervised by two public agencies, the city engineer⁹⁷ (the Highways Engineer, the Bureau of Highways), and the Harbor Board (the Bureau of Harbors), which last was given control of bridges over navigable waters in 1908.⁹⁸ The cost of maintaining the old wooden bridges grew rapidly, and very early the policy of replacing these structures with more permanent ones of iron, stone, and concrete was adopted, such expenditures being made from the ordinary revenues.⁹⁹ After the war, when many of these structures were in bad repair and unsuited to present traffic needs,¹⁰⁰ loans provided for the erection of new bridges and the reconstruction of old ones, allotments having been authorized for this purpose from the General Improvement Loan of 1920 and from the paving loans of 1924 and 1927.¹⁰¹

The Harbor Board, with funds from the Dock Improvement Loan of 1908, erected the Pratt Street Bridge over Jones' Falls,¹⁰² and planned to erect a new Light Street Bridge which was included in the fifty million dollar project for harbor development that was introduced but vetoed by the legislature in 1910.¹⁰³ An enabling act providing for the issue of two million dollars of city stock for the acquisition of water front property and the erection of a new Light Street Bridge was obtained in 1912, but failed to be ratified by the people.¹⁰⁴ This structure, which is now known as the Hanover Street Bridge, was constructed by the state roads commission, after the city delegation made a successful fight in the legislative session of 1914 and obtained \$1,600,000 of the

widening of streets, the property necessary for the enlargement of the water supply has been acquired. (Constitution of Maryland; Laws of Md., 1904, ch. 87; 1912, ch. 117; 1914, ch. 463; Mayor's Messages, 1918, p. 73-74).

⁹⁷ The Charter, sec. 86.

⁹⁸ Laws of Md., Acts of 1908, ch. 170.

⁹⁹ Report of the City Engineer, 1903.

¹⁰⁰ Mayor's Messages, 1919-23, p. 10.

¹⁰¹ Below, p. 101.

¹⁰² Report of the Harbor Board, 1909, p. 19.

¹⁰³ Below, p. 91.

¹⁰⁴ Below, p. 94.

State Roads Loan as the city's share for this bridge and various paving improvements.¹⁰⁵

Street lighting.—In 1925, the duties and powers of the Superintendent of Lamps and Lighting and the Electrical Commission were combined and vested in the engineer directing the Bureau of Mechanical-Electrical Service of the Department of Public Works.¹⁰⁶

Higher standards of illumination and the extensions to the service incident to the development of new streets, particularly in the old and new annexes, caused the budget for this department to treble in the last twenty-five years. There were 8,708 lamps in 1900 and 33,140 lamps in 1926. These lamps were owned for the most part by the private corporations with which the city contracted for the operation and maintenance of its street lighting service.¹⁰⁷ In 1910, the Superintendent of Lamps and Lighting urged a loan of a half million dollars for the acquisition of street lighting equipment and for the establishment of an ornamental lighting system. It was also proposed to assess benefits for improved street lighting, as was the practice in other cities.¹⁰⁸ No action was taken upon these proposals, but in 1912, from appropriations from the general treasury, an ornamental "White Way" illumination was begun,¹⁰⁹ and has since been extended thruout the business district and along many of the boulevards. These fixtures, which are owned by the municipality,¹¹⁰ have been connected with the conduits as rapidly as the latter have been completed. Gas and naphtha lamps continue to be used in the outlying sections. The gas lamps, since they are less costly, are substituted for the naphtha lamps with the extension of the gas mains.¹¹¹

¹⁰⁵ Mayor's Message, 1918, pp. 79-83.

¹⁰⁶ Above, p. 13.

¹⁰⁷ Report of the Superintendent of Lamps and Lighting, 1904, p. 11; 1920, p. 4; 1923, p. 4.

¹⁰⁸ Ibid., 1910, pp. 34-37.

¹⁰⁹ Ibid., 1912, p. 12.

¹¹⁰ Ibid., 1919, p. 4.

¹¹¹ Ibid., 1905, p. 12; 1912, p. 14.

As it was believed that the cost of lighting was excessive, an investigation into the question of a municipal power plant to furnish current for street lighting was made by the Municipal Lighting Commission appointed in 1900.¹¹² The commission, in its preliminary report, altho not recommending such a venture, stated that "the mere present ability" to establish a municipal lighting plant "would be a material protection" against the increase in price resulting from the consolidation of the present competing companies into a monopoly.¹¹³ In consequence of this opinion, an enabling act, authorizing a loan of \$1,350,000 for this purpose, was obtained from the legislature in 1900.¹¹⁴ This loan has never been submitted for ratification, but it seems to have afforded the desired protection, as the power for electric arc lamps was greatly reduced in price upon the renewal of the contracts in 1900 and in subsequent years.¹¹⁵

Waterways.—The care of waterways is the duty of the Harbor Board (Bureau of Harbors) and is considered under the function of highways. This service includes the maintenance of the channels by dredging and by removing sunken obstacles and obnoxious floating matter, the maintenance of municipal boats, and the regulation of anchorages. Dredging and the maintenance of municipal boats constitute the major items of expenditure. Also, the outlays from the harbor improvement loans for the construction of improved highways around the waterfront are charged to this service.

CHARITIES AND CORRECTIONS

Charities.—The new charter incorporated radical changes in the administration of public charities, which the attempts at reform and the investigations just prior to 1900 had proved

¹¹² Resolution of Jan. 4, 1900, No. 11.

¹¹³ Report of the Municipal Lighting Commission, 1903, pp. 1-19.

¹¹⁴ Laws of Md., Acts of 1900, ch. 152.

¹¹⁵ Report of the Superintendent of Lamps and Lighting, 1900, pp. 5-6. The former price was \$127.75 per lamp, the new price agreed upon in 1900 was \$99.92.

essential to the economical and intelligent care of the poor.¹¹⁶ The Supervisors of City Charities, who superseded the Trustees of the Poor, consist of nine members appointed by the mayor.¹¹⁷ This body determines "what sick, insane,¹¹⁸ or other destitute persons are the proper charges¹¹⁹ of the city," and provides "for the proper care of such persons, in so far as money may be appropriated for that purpose".

The old policy of granting lump sum subsidies to large numbers of private institutions over which the city exercised no control was legally prohibited. Those agencies whose services are required to care for municipal charges are engaged upon a per capita basis, and their care of municipal cases is constantly supervised. All the applications for municipal aid are carefully investigated, since it is the constant aim of the supervisors to strengthen the ties of kinship by having each family care for its own dependents, and to develop the charitable forces in the community by utilizing as far as possible the resources of private charity.¹²⁰

The Bay View Asylum, that was constructed in 1862-66,¹²¹ was in extremely bad condition, the infirmary was antiquated, and the hospital facilities were inadequate. In 1907, a committee of prominent physicians studied the situation and recommended a new hospital and many other improvements for the proper care of the public charges. This investigation

¹¹⁶ J. M. Glenn, "The Supervisors of City Charity of Baltimore City," in the Johns Hopkins University Circular, April, 1906. Reprinted in Report of the Supervisor of City Charities, 1907, p. 60.

¹¹⁷ The Charter, secs. 104-112.

¹¹⁸ State care for the insane had been urged year after year, but it was not until 1910 that the Legislature made provision for these charges. All such provisions by the state have been inadequate. This aid relieved the congestion of insane patients at Bay View, but was never sufficient to care for them exclusively in state institutions. (Laws of Md., Acts of 1910, ch. 431).

¹¹⁹ The practice of police magistrates of committing able-bodied vagrants and tramps to the almshouse was prohibited by the legislature in 1902. Such persons were thereafter committed to the City Jail or the House of Correction. (Report of the Supervisors of City Charities, 1902, p. 8).

¹²⁰ Report of the Supervisors of City Charities, 1902, p. 4.

¹²¹ Hollander, 242.

had its chief importance in that it convinced the city officials that costly improvements at Bay View were imperative.¹²² Therefore, in accordance with the recommendations of the committee, appropriations were made from year to year to fulfill the plan of development gradually.¹²³ During the war, when high prices were prevalent, the sums appropriated for improvements were used to meet the deficits in the ordinary running expenses, and in 1920 the buildings were again in need of costly repairs. Large sums were then appropriated for improvements as well as repairs. The act of 1927, authorizing the four million dollar composite loan for hospitals, for fire engine houses, and for police stations, specifically stipulates that two and one-half million dollars of this loan shall be expended, subject to the approval of the Supervisors of City Charities, for additional facilities at Bay View.¹²⁴

Corrections.—The city jail is regulated and controlled by the nine unpaid Visitors of the City Jail, who are appointed by the mayor.¹²⁵ The jail which was constructed in 1856-60¹²⁶ by 1900 was antiquated.¹²⁷ The visitors repeatedly urged the construction of a new jail, but after the fire the demands upon the city were so great that the idea was abandoned.¹²⁸ In 1907, \$150,000 was appropriated for the erection of two wing additions to the old building,¹²⁹ which were completed after much unnecessary delay, in 1911.¹³⁰ In the same year, the old work sheds were replaced by a modern workshop. This improvement was financed by an appropriation of \$30,500 from the city treasury and \$20,000 borrowed from a contractor employing prison labor. The

¹²² Report of the Supervisors of City Charities, 1908, pp. 11-13; 1907, p. 3.

¹²³ See the appropriations in the annual budgets, 1908-25; 1918, p. 6.

¹²⁴ Laws of Md., Acts of 1927, ch. 312, sec. 2.

¹²⁵ The Charter, secs. 118-144.

¹²⁶ Hollander, 242-243.

¹²⁷ Report of the Visitors of the City Jail, 1902, p. 11.

¹²⁸ Ibid., 1906, p. 5.

¹²⁹ Ibid., 1907, p. 6.

¹³⁰ Ibid., 1911, p. 3.

Visitors were authorized in 1906 to make and to pay for such contracts with the hire of inmate labor.¹³¹ There has been no further need for the expansion of the jail facilities because changes in the penal laws¹³² have so reduced the number of inmates that it has been difficult to operate the shops.

EDUCATION

Schools.—The maintenance, erection and equipment of school houses has constituted one of the largest items in the municipal budget during the last twenty-five years. Tremendous increases in the expenditures for public education, that have been borne by the general treasury, have been caused by the expansion of the facilities with the growth of the population, by the increased salaries of a growing corps of teachers, and by the adoption of higher standards of comfort, health, and efficiency. The share of the municipality in the state school appropriations and other revenues is credited to this function indirectly by the Board of Estimates.

Since it had been the practice to rent buildings suited for school purposes as the occasion required, no school buildings had been constructed since 1897, and additional school quarters were badly needed by 1900.¹³³ Large appropriations were made from the ordinary revenues of the city for the erection and equipment of new buildings, but these were inadequate and in 1906 and 1910 loans aggregating two and one-half million dollars were authorized for this purpose.¹³⁴ The provision of proper educational facilities was made even more difficult by the movement of the population to the suburbs, which depleted the schools in the old city and over-

¹³¹ Ibid., 1907, p. 10; Laws of Md., Acts of 1906, ch. 71, sec. 1.

¹³² Ibid., 1917, p. 5; Laws of Md., Acts of 1908, ch. 18, reduced the terms of prisoners by reducing the penalties for the failure to pay fines. For each dollar of fine the sentence for the failure to pay is one day but under no circumstances over six months. Acts of 1916, ch. 556, sec. 654, provided that prisoners serving terms over six months are not to be committed to the city jail but to the Maryland Penitentiary or the House of Correction.

¹³³ Report of the Board of School Commissioners, 1900.

¹³⁴ Below, p. 92.

crowded those in the new sections.¹³⁵ The school loans were exhausted by 1913, and in 1916, after repeated recommendations by the School Commissioners, another loan of one million dollars was authorized for school buildings.¹³⁶

School accommodations presented themselves in 1919 as one of the greatest problems of the municipality. The war had prevented the extensive construction of school buildings, and, in the same period,¹³⁷ the population had increased rapidly, incident to the growth of industry that was stimulated by war-time demands. A construction program, involving the expenditure of twenty-two million dollars, was adopted.¹³⁸ In 1922, the additional fifteen million dollars required by this plan was authorized by the legislature and approved by the people, and in 1927 the authority for a school loan of ten million dollars was obtained.¹³⁹

Libraries.—The Enoch Pratt Free Library has been maintained during this period by the income from the endowment established by Mr. Enoch Pratt in 1882¹⁴⁰ and other bequests¹⁴¹ and appropriations from ordinary revenues of the city. Until 1908, the municipal appropriations were trivial, being merely sufficient to meet the deficiency in the income of \$50,000 from the Pratt endowment that was held in trust by the Commissioners of Finance.¹⁴² The library accepted the Carnegie gift of one-half million dollars for the establishment of additional branches,¹⁴³ and the legislature in 1908 authorized the city to appropriate for the equipment, the maintenance, or the support of the Enoch Pratt Library and its branches.¹⁴⁴ Since this time, larger and larger expenditures

¹³⁵ Report of the Board of School Commissioners, 1913, p. 42.

¹³⁶ Below, p. 96.

¹³⁷ Report of the Board of School Commissioners, 1917, pp. 4, 19; 1918, p. 4; 1919, p. 4.

¹³⁸ Mayor's Message, 1919-1923, pp. 6-7, 9.

¹³⁹ Below, p. 100.

¹⁴⁰ Hollander, 302; Municipal Journal, Feb. 19, 1915, p. 11.

¹⁴¹ Laws of Md., Acts of 1900, ch. 221.

¹⁴² Report of the Commissioners of Finance, 1924, pp. 92-93.

¹⁴³ Coyle, 203.

¹⁴⁴ Laws of Md., Acts of 1908, ch. 144.

for this purpose have been made by the city, and in 1927, a loan of three million dollars was authorized for the erection of a modern building for the central library.¹⁴⁵

Music.—Baltimore is one of the pioneer cities in fostering the cultural and artistic spirit of its citizens.¹⁴⁶ Since 1915 the city has made appropriations for municipal band concerts which are given in the streets in the various sections of the city during the summer months,¹⁴⁷ and in 1916 provision was made for the organization of a symphony orchestra which gives concerts thru the winter months at popular prices.¹⁴⁸ Provision was made in 1925 for a Municipal Director of Music who controls all of these activities.¹⁴⁹

RECREATION

Public parks.—Upon the reorganization of the municipal government in 1898, only a few changes were made in the board of park commissioners who are vested with the control of parks and squares, springs, and monuments. A board of five unpaid members, appointed by the mayor and serving five years, replaced the former body of six members appointed biennially. The Board of Park Commissioners no longer controls the disposition of the street railway franchise tax, which is devoted to park purposes, but receives annual appropriations from this fund thru the Board of Estimates.¹⁵⁰

The municipal park system has been expanded during this period with the growth of the city in area and population, the

¹⁴⁵ Below, p. 103.

¹⁴⁶ Municipal Journal, Dec. 3, 1920, pp. 5, 7. Also see Mayor's Messages, 1918, pp. 63-67; 1919-1923, pp. 97-98; 1925, pp. 71-73; 1927, pp. 203-205.

¹⁴⁷ Band concerts have been given in the public parks under the Park Board since 1904. (Report of the Board of Park Commissioners, 1904, p. 36).

¹⁴⁸ Ordinances of the Estimates, 1915-1927, Miscellaneous General Expenditures.

¹⁴⁹ When the Lyric, the only building in the city suitable for large assemblies, was about to be sold for commercial purposes in Feb. 1920, public spirited citizens formed a company and purchased it in the interest of music.

¹⁵⁰ Hollander, 245-248; The Charter, secs. 90-98.

total acreage in 1900 being 1,112.05 and in 1927, 3,236.00. No action was taken in this direction until 1904, when a comprehensive plan for the extension of the park system was drawn by Olmsted Brothers, landscape architects, who had been retained by the Municipal Art Society. This plan included parks in the various sections connected by a series of parked boulevards.¹⁵¹

Besides the purchases of additional acreage from the park receipts as the occasion permitted, a loan of one million dollars was authorized in 1904 for the acquisition of more park property, and the Park Commissioners were authorized in 1916 to make such purchases upon terms as they deemed reasonable.¹⁵² Another loan of three million dollars for the creation of a civic centre, additional parks, and the establishment of the proposed boulevards was authorized in 1908, but it was not submitted to the people until 1917 when it was voted down.¹⁵³ However, there is now a civic centre, and the program of parkways is practically complete, having been constructed by the agencies in control of paving streets. With the aid of the city plan committee and Olmsted Brothers another plan for the development of the park system was drafted in 1926. The major features of this plan were the acquisition of land suited to park purposes in the newer sections of the city and the extension of parkways.¹⁵⁴

With the growth of the park fund, large sums were expended upon park improvements, and particular attention has been given to making the parks recreational centres. The characteristic features of the recreational facilities in the parks today are the large number of playgrounds and athletic fields, which the board was expressly authorized to provide in 1908,¹⁵⁵ the large number of tennis courts, the public golf courses, and the public swimming pools. Probably the most signal improvement was the erection of a municipal stadium.¹⁵⁶

¹⁵¹ Report of the Board of Park Commissioners, 1903-1904, p. 79.

¹⁵² Laws of Md., Acts of 1906, ch. 416.

¹⁵³ Below, p. 94.

¹⁵⁴ Mayor's Message, 1927, pp. 124, 183.

¹⁵⁵ Laws of Md., Acts of 1908, ch. 106.

¹⁵⁶ Mayor's Message, 1925, p. 99.

PUBLIC SERVICE ENTERPRISES

Water supply.—The organic laws of 1898 vested the control of the water supply in the Water Board. This body which was composed of five members was appointed by the mayor.¹⁵⁷ The charter provides that the president of the board must be an experienced engineer. Unlike their predecessors,¹⁵⁸ this board possessed no fiscal powers but was subordinate to the board of estimates that made appropriations for all departments. Upon the reorganization of the Department of Public Improvements in 1914, the Water Board was placed under the supervision of the chief engineer. The Water Board was abolished in 1925, and the service became the Bureau of the Water Supply under the direction of a single engineer and a sub-department of the Department of Public Works.¹⁵⁹

To maintain the water service, to extend the facilities to the outlying sections of the city, and to provide an adequate supply of pure water for a rapidly growing municipality, from the revenues derived from the operation of a service, was the problem of the Water Department. Low water rates, which yielded small revenues, and immense construction projects, which required the expenditure of large sums, made constant recourse to loans inevitable.

The remainder of the two million dollar loan authorized in 1896¹⁶⁰ and a loan of one million dollars authorized in 1902¹⁶¹ was expended to make much needed improvements in the service, to construct a new high service reservoir, and to purchase the equipment of the Baltimore County Water Company. The adequacy of the water supply was investigated in 1904, and the purchase of a water shed on the Gunpowder River and the establishment of a large storage lake at Loch Raven was recommended.¹⁶² An enabling act authorizing this improvement was introduced into the legislature in 1906, but

¹⁵⁷ The Charter, sec. 87.

¹⁵⁸ Hollander, 232.

¹⁵⁹ Above, p. 13.

¹⁶⁰ Report of the Water Board, 1900, p. 4.

¹⁶¹ Below, p. 89.

¹⁶² Report of the Water Board, 1904, p. 4.

the opposition of Baltimore County, in conjunction with the Warren Manufacturing Company, prevented its successful passage.¹⁶³ A bill was obtained in 1908, but only after the Water Board had agreed to purchase the Warren property.¹⁶⁴ When this "deal" was disclosed, there was a stir of public dissatisfaction, and a councilmanic committee found that the agreed price was exorbitant. This affair delayed the project, and it was only after the plans had been changed in 1911 so that this property was not required that construction actually began. After the courts, into which the dispute was taken upon this move of the municipality, declared that the city had not entered into a contract for the purchase of the Warren interests, the project began to be executed in earnest.¹⁶⁵

This program included a water shed and a dam to create a storage lake and also provided for a filtration plant, an improvement urged for the protection of the public health since 1897. These facilities, upon which a loan of five million dollars was expended, were completed and put in service in 1915. The repair of the system and the extension of mains in advance of improved paving constituted the major activities of the Water Department in the succeeding three years. No attempt was made to raise the height of the dam at Loch Raven in accordance with the prescribed plan, and as a result, in 1919 the city was brought face to face with the danger of a water famine. This situation was considered in connection with the public improvements that were being planned immediately after the annexation, and a loan of twenty-five million dollars was recommended in order to enlarge the water supply, to improve the system generally, and to purchase and to coordinate with the municipal system the private companies operating in the newly annexed sections.¹⁶⁶

¹⁶³ *Ibid.*, 1906, p. 12.

¹⁶⁴ *Ibid.*, 1908, p. 6; Laws of Md., Acts of 1908, ch. 214.

¹⁶⁵ Mayor's Message, 1911, pp. 26-29. To prevent cases similar to the Warren affair, the charter was amended providing that "all purchases of property, and all other contracts involving the expenditure of more than five hundred dollars," unless made by the Board of Awards, must be approved by the Board of Estimates to be binding upon the city. (Laws of Md., Acts of 1914, ch. 539).

¹⁶⁶ *Ibid.*, 1919-23, pp. 5-6, 70. There was considerable discussion

To these ends a loan of twenty-five million dollars was authorized in 1920, and another for ten million in 1927. The power to expend these funds is vested in the Public Improvement Commission.¹⁶⁷

Conduits.—The events from 1889 to 1892 indicated that the city would be unable to depend upon private enterprise for the removal of the unsightly overhead wires and their placement underground.¹⁶⁸ In 1892, the city was given the power to enforce the placement of overhead wires underground in conduits which it was authorized to construct and to rent at reasonable rates.¹⁶⁹ In 1898, in pursuance of this act, the electrical commission, composed of the mayor, the register, and the president of the board of fire commissioners, who was the president of the new body, was created.¹⁷⁰ The commission appointed a chief engineer, and the construction of conduits was begun. This service in 1914 was placed under the supervision of the chief engineer of the Department of Public

after the purchase of the Baltimore County Water Company, that was the only water supply available to those rather densely populated sections of Baltimore County adjacent to the city, as to the terms under which the municipality would provide water service to county residents. The conference between the authorities of the two political units as to this situation resulted in the creation of the Metropolitan District of Baltimore County by an act of the General Assembly of 1924. This section of Baltimore County, the control of which is vested in the county commissioners, is to be divided into metropolitan sub-districts to which, upon the written requests of the County Commissioners, the city is to extend the municipal water service at the cost of the tax paying residents. The service itself is to be maintained and operated by the city, which imposes water rates upon the consumers subject to the approval of the Public Service Commission of Maryland. Also, Anne Arundel as well as Baltimore County and Baltimore City were authorized to enter agreements with regard to the proper construction and operation of the water supply. It is believed that this arrangement avoids the major possibilities for friction between the counties and the city. This act did not repeal Chapter 214 of the Acts of 1908, under which Baltimore County is entitled to ten million gallons of water daily without charge in view of the privilege of the municipality to draw its water supply from the Gunpowder River.

¹⁶⁷ Below, p. 100.

¹⁶⁸ Report of the Electrical Commission, 1898-1905.

¹⁶⁹ Laws of Md., Acts of 1892, ch. 200.

¹⁷⁰ Ordinance of August 25, 1898, No. 106; Ordinance of August 25, 1898, No. 107; Ordinance of August 25, 1898, No. 108.

Improvements; and, in 1925, the Electrical Commission was abolished, and its functions and duties and those of the superintendent of lamps and lighting were combined and placed under the Bureau of Mechanical-Electrical Service of the Department of Public Works.¹⁷¹

The expenditures for the operation and maintenance of the conduits have been made in whole or in part from the revenues derived from the rentals, but those for the construction have been made from loans. From 1892 to 1927, \$9,875,000 in loans have been authorized for the construction of conduits.¹⁷² The commission, in allowing the leasing companies to rent duct space after the completion of definite areas without requiring the placement of the overhead equipment underground, defeated the main purpose for its existence—the removal of the unsightly overhead wires. This policy was abandoned in 1921, and an agreement was made with the largest companies that the wires in the completed sections would be placed in conduits by the close of 1923.¹⁷³

Public docks and wharves.—The charter of 1898 made only minor changes in the control of the harbor and the navigable waters. A harbor board of five rather than six members appointed by the mayor was provided for, and it was required that the president of the board be an experienced engineer.¹⁷⁴ The Harbor Board was subjected to the supervision of the chief engineer of the department of public improvements in 1914. The board was abolished in 1925, and its functions were vested in the bureau of harbors of the department of public works.¹⁷⁵

Previous to 1904, the chief activities of the Harbor Board were directed toward keeping the antiquated dock system in repair. After the fire which swept away practically all of these facilities, a modern system of docks and wharves was planned.¹⁷⁶ Upon the acquisition of the necessary property by

¹⁷¹ Above, pp. 13, 35.

¹⁷² Below, pp. 89, 91, 96, 99.

¹⁷³ Mayor's Message, 1919-23, p. 109.

¹⁷⁴ Hollander, 234-235; The Charter, sec. 88.

¹⁷⁵ Above, p. 13.

¹⁷⁶ Ordinance of June 16, 1904, No. 94.

the Burnt District Commission, the Harbor Board began the execution of this program using funds from the Western Maryland Railroad Fund, the six million dollar burnt district loan, and a loan of one million dollars subsequently authorized in 1908.¹⁷⁷

The city owned very little waterfront property before the fire, and after that time the city was constantly urged to acquire large unimproved holdings and to develop them as required by the industrial and commercial interests of the city.¹⁷⁸ With such a general port development project including streets, piers, warehouses, and bridges both inside and outside the city limits in view, an enabling act providing for a loan of fifty million dollars was introduced into the legislature in 1910. Each improvement was to be made as demanded subject to the ratification of the people.¹⁷⁹ This act failed, but the demands of the municipality were answered somewhat by the authorization of a loan of five million dollars for the purpose of developing port facilities within the corporate limits.¹⁸⁰ From this loan, a commercial and recreational pier was erected and two commercial highways constructed, one around the south and the other around the north side of the harbor.¹⁸¹ Upon these highways, a harbor belt line railroad, that is owned and controlled by the municipality and that connects with all the main railroad lines, was laid to provide cheap and easy switching and interchanging of freight.¹⁸²

The increased activities of the commercial and industrial interests of the city during and after the war indicated the inadequacy of the harbor facilities.¹⁸³ After the annexation,

¹⁷⁷ Below, p. 91.

¹⁷⁸ Report of the Harbor Board, 1908, p. 41.

¹⁷⁹ *Ibid.*, 1909, p. 20.

¹⁸⁰ Below, p. 94.

¹⁸¹ Report of the Harbor Board, 1910, p. 34; 1913, p. 20; 1914, p. 8.

¹⁸² *Ibid.*, 1916-18, p. 16. The Baltimore and Ohio Railroad has operated the Municipal Belt Line Railroad since its completion in 1918. In 1920, the inter-change shifting charge was abolished, thus all the switching costs are now borne by the Baltimore and Ohio, the Pennsylvania, and the Western Maryland Railroads. (Mayor's Messages, 1918, p. 24; 1919-23, p. 49-50).

¹⁸³ The commerce of the port decreased seriously in 1921, but even

which gave the city a wide expanse of waterfront, the harbor needs were carefully surveyed, and a tremendous port development program was adopted.¹⁸⁴ Besides two and one-half million dollars set aside for harbor improvements from the General Improvement Loan of 1920, a fifty million dollar port development loan was authorized in the same year, and ten million dollars of this was approved by the electorate for immediate use.¹⁸⁵ In pursuance of the enabling act, the Port Development Commission was created to supervise the expenditure of this loan. The commission which is to exist until the loan is exhausted, began its work¹⁸⁶ in 1921. The general plan on which the commission works calls for the development of the north shore for a railroad terminal, and for the purchase of the Patapsco Flats which will be bulkheaded, filled in, and used for the site of piers.¹⁸⁷

Municipal ferry.—The Broadway Ferry, which the city purchased in 1915¹⁸⁸ and has operated ever since under the control of the Harbor Board, has never produced sufficient revenue to defray the cost of maintenance. In fact, the losses were so great in 1918 that the service was abandoned but it was reestablished in 1919.¹⁸⁹ It was quite evident that the Broad-

in that year and those that followed it was considerably larger than it was in 1913. (Report of the Harbor Board, 1920-21, p. 6; 1922-23, p. 26).

¹⁸⁴ Mayor's Message, 1919-23, pp. 6-7.

¹⁸⁵ This two and one-half million dollars from the General Improvement Loan of 1920 constitutes a revolving fund for the purchase of property in advance of pier construction and other harbor improvements, and is controlled by the Public Improvement Commission.

¹⁸⁶ The harbor engineer was retained as the engineer of the Port Development Commission.

¹⁸⁷ Report of the Harbor Board, 1920-21, p. 6-8; also see below, p. 95.

¹⁸⁸ In 1912 the general powers of the city were amended to permit it "to establish, own, and operate a municipal ferry across the northwest branch of the Patapsco River." (Laws of Md., Acts of 1912, ch. 32).

¹⁸⁹ Municipal Journal, May 9, 1919, p. 4. In this interval the Dime Line Steamboat Company obtained a franchise to operate this service but it soon failed. Upon the protest against the discontinuation of the ferry, the city again assumed its management. (Ordinance of Apr. 18, 1917, No. 248).

way Ferry could not be operated profitably with the old ferry boat "Smith" which was constantly in need of costly repairs and subject to breakdowns of long duration. Therefore in 1926, a new boat was purchased at a cost of \$135,179. With this new boat in service and the increase in the traffic, it is believed that the enterprise will be self-supporting in the future.¹⁹⁰

Markets.—Since 1898, the markets of the city have been under the supervision of the market master and his assistants, who are appointees of the comptroller.¹⁹¹ The cost of maintaining the markets is met from the general treasury, but the municipality has endeavored to make these enterprises self-supporting.¹⁹² After the fire in 1904, the Burnt District Commission acquired property near the old Marsh Market upon which a market house was erected, under the direction of a special commission of three members, from appropriations from the Western Maryland Railroad Fund.¹⁹³ Centre Market was the only new market established during this period. Repairs and improvements upon the market structures have been made from time to time by the inspector of buildings (the Bureau of Buildings), especially large sums being required for this purpose in recent years.¹⁹⁴

FIXED CHARGES

Sinking funds.—The commissioners of finance, as organized under the charter of 1898, compose a board consisting of the mayor, the comptroller, the city register, and two unpaid appointees of the mayor, and control and have custody of the sinking funds for the amortization of the funded indebtedness of the city.¹⁹⁵

Unlike the previous period of the city's financial history, the

¹⁹⁰ Mayor's Message, 1925, p. 77; 1927, pp. 106-107.

¹⁹¹ The Charter, sec. 34.

¹⁹² Below, p. 86.

¹⁹³ Ordinance of April 5, 1904, No. 66; Ordinance of Nov. 9, 1904, No. 57.

¹⁹⁴ Mayor's Message, 1919-23, pp. 28-29.

¹⁹⁵ The Charter, sec. 41.

sinking funds were not neglected or misappropriated,¹⁹⁶ but in fact were more than sufficient to redeem the outstanding loans. This flooded condition of the amortization funds was due to the practice of diverting the annual surplus of the municipal budget to the sinking funds and of making annual levies for the various loans upon an ever increasing taxable basis. This state of affairs was somewhat relieved by the amendment to the corporate charter in 1904 providing that the excess revenues for one year should be credited to the available revenues for the next year.¹⁹⁷ After 1906, a new policy was adopted in regard to new stock issues. Specific amounts rather than the yield of a certain levy upon the taxable basis were appropriated to the sinking funds, and provision was made for discontinuing contributions to the funds after they became sufficiently large to redeem the loans for which they had been created. But these measures did not meet the situation, since it was roughly estimated in 1907 that the surplus in the sinking funds after redeeming all outstanding loans would be seven million dollars.

Methods by which the city could utilize these surplus funds for present needs had been considered as early as 1902,¹⁹⁸ but no action was taken until 1910 when the legislature authorized the use of sinking fund or "General Fund Bonds." The commissioners of finance were bidden to calculate annually the excess in each sinking fund; and if the commissioners decided, in their discretion, to invest such excess in "General Fund Bonds," the board of estimates was to be notified before the budget for the following year had been prepared. These "General Fund Bonds," that must not bear more than four per cent interest, are placed to the account of the sinking fund in excess, and the face value of the bonds is paid into the treasury for current use. When a loan matures and is redeemed, all the "General Fund Bonds" in the sinking fund securing that stock issue are immediately cancelled. No pro-

¹⁹⁶ Hollander, 333-345.

¹⁹⁷ Laws of Md., Acts of 1904, ch. 677.

¹⁹⁸ Report of the City Register, 1907, pp. 7-8.

¹⁹⁹ *Ibid.*, 1902.

vision is made for the redemption of these bonds unless they are sold to other sinking funds or to the public, in which case the usual appropriations must be made for the redemption of the bonds at maturity. If, at the close of any year, any sinking fund shows a deficit, the Board of Estimates upon the written request of the commissioners of finance is compelled to make an appropriation to cover this shortage, and the city council is forbidden to reject or reduce it. Under the authority of this act of 1910,²⁰⁰ general fund bonds to the amount of three million dollars were issued at one quarter of one per cent interest, which assured their use for sinking fund purposes only.²⁰¹

An investigation by the Baltimore Tax Commission into the status of amortization funds in 1923 disclosed that the funds created by a levy upon the taxable basis for the redemption of some five stock issues were already complete. Also, it was calculated that there would be a surplus at maturity exceeding thirteen million dollars from the funds for the redemption of the other outstanding loans. Upon the urgent recommendation of the commission,²⁰² the levies on the first group of loans were discontinued, and the interest derived from the completed sinking funds was diverted to pay the interest charges of the stock issues.²⁰³ To utilize the surplus in the other sinking funds, a new issue of general fund bonds, similar to those of 1910, was strongly urged, but as yet no action has been taken upon this recommendation.

In connection with the redemption of the Water Loan of 1916, the commissioners adopted a policy to which they have adhered ever since; that is, the conversion of the sinking fund of a maturing loan into cash several years before it comes due in order to avoid the uncertainties of marketing large quantities of sinking fund securities at the date of redemption.²⁰⁴ Another reform has been made in the financial admin-

²⁰⁰ Below, p. 95.

²⁰¹ Report of the City Register, 1910, p. 10.

²⁰² Report of the Baltimore Tax Commission, 1923, pp. 29-32.

²⁰³ Report of the City Register, 1923, pp. 10-15; 1926, p. 10.

²⁰⁴ Municipal Journal, Aug. 25, 1916, p. 4. The neglect of this

istration by the use of serial bonds that eliminate the old and cumbersome method of amortizing indebtedness by the accumulation of sinking funds. Since 1914, all municipal loans have been issued in serial form, and provision is made for the redemption of each maturing series from the current revenues of the city.²⁰⁵

Interest on the funded debt.—The interest upon the funded debt of the city has constituted one of the largest single items of expenditure in the municipal budget. The outlays for interest were equalled by those for police protection until 1908 and have been exceeded only in recent years by the expenditures for public schools. Naturally, the aggregate outlays for interest charges have increased steadily thruout the period with the growth of the funded debt. The interest rate has remained fairly constant.

Unlike the procedure prior to 1900, the interest upon the water indebtedness, with the exception of the water loan of 1902, was charged not to the water revenues but to the general treasury.²⁰⁶ The interest upon the park loans, however, continues to be paid from the park tax. The antiquated method of paying interest thru the banks was abandoned in 1908, after which date such payments were made directly to the stockholders. Since 1926, all new loans have been issued in the form of coupon bonds.²⁰⁷ In 1927,²⁰⁸ the legislature conferred upon the mayor and the city council the power to reduce by ordinance the rate of interest approved by the electorate upon the unissued portions of loans. This power permits the city to take advantage of the changes in the money market between the date of ratification and the date of issue.

sinking fund prior to 1900 prevented the entire redemption of this loan in 1916. The shortage of \$1,336,000 was extended at 4% to be redeemed when its sinking fund which has been continued is sufficient. The register acquired a large part of this for the sinking funds.

²⁰⁵ Report of the Register, 1915, pp. 7-12.

²⁰⁶ Hollander, 252, see below, p. 83.

²⁰⁷ Report of Register, 1908, p. 11; 1926, pp. 6-7.

²⁰⁸ Laws of Md., Acts of 1927, ch. 155; also below, p. 101.

PENSIONS AND GRANTS

Pensions.—For a decade or more prior to 1900, pensions have been an item in the municipal budget. The city has been authorized to retire at half-pay firemen who have been incapacitated or who have served twenty-five years, and, also, to make provision for the widows and children of firemen killed in the performance of duty.²⁰⁹ The board of police commissioners (the police commissioner) is vested with similar powers and such expenditures are charged to the Special Police Fund. Pensioned police officers were given the privilege in 1912 of sharing in salary increases of the present force, since it was provided that a retired officer should receive a pension equal to one half the remuneration of an active member of the same rank.²¹⁰ A similar privilege was extended to the superannuated firemen in 1922.²¹¹ In addition to the protection of employees in hazardous occupations, in accordance with the compulsory Workmen's Compensation Law,²¹² after 1916 annuities were granted to disabled and aged employees who had served at least ten years and whose remuneration had not been more than \$1000 per annum.²¹³ Also, laws were enacted in 1924 to provide for the retirement of bailiffs and stenographers of the courts after twenty-five years service upon annuities²¹⁴ of one thousand dollars.

Provision was made for the retirement of the teachers of

²⁰⁹ The Charter, secs. 6, 70, 445.

²¹⁰ All the funds that come into the hands of the police commissioners, with the exception of the direct municipal appropriations, constitute the Special Police Fund. In the event that this fund is insufficient to provide for superannuated members or for the relief of widows and children of officers killed in the performance of duty, the city upon the request of the police commissioners is compelled to make the proper appropriations. After 1924, the practice of diverting forfeited salaries to this fund was abandoned, and the surplus in the fund from this source was turned back to the city treasury. (The Charter, secs. 776-780; Laws of Md., Acts of 1924, ch. 411).

²¹¹ Laws of Md., Acts of 1922, ch. 283.

²¹² "Workmen's Compensation Law of Md.," Labor Laws of Md. compiled for Commissioner of Labor and Statistics, 1922.

²¹³ Ibid., Acts of 1916, ch. 498.

²¹⁴ Ibid., Acts of 1924, chs. 155 and 245.

the public schools in 1908 by a legislative act, which provided for the creation of a retirement fund and for the establishment of a board to control the system of retirements. The fund from which the pensions of the teachers was to be paid was created in several ways: first, by gift; secondly, by appropriations from the municipal treasury; and thirdly, by graduated assessments upon the salaries of the teachers in accordance with the number of years of service. Altho retirement is possible after twenty-five years, the system is based upon forty years of service. At the expiration of this period, a teacher is entitled annually to a pension equal to one-half of his average annual salary for the last five years, but which is not to be less than \$360 nor more than \$600.²¹⁵ The county schools in the new Annex of 1918 were merged into the municipal school system, and the teachers of these county schools were permitted to transfer their contributions from the Baltimore County retirement fund to the municipal fund. The Board of Estimates was required to meet any deficiencies in the municipal fund arising from the smaller assessments upon the salaries of the county teachers.²¹⁶

The administration of the retirement system for teachers of the public schools was vested in the board of trustees of the teacher's retirement fund of the City of Baltimore. This board was composed of the comptroller, the superintendent of public instruction, two members of the board of school commissioners, and three teachers elected annually by the teaching force. This body passed out of existence, when the teachers voted that the administration of the teachers' retirement fund should be transferred to the board vested with the supervision of the general system of municipal pensions, that was inaugurated in 1926. The general powers of the city were amended in 1922 by a legislative act authorizing the city to extend the existing pension systems and to establish new ones at will.²¹⁷ However, this act was repealed and reenacted in 1924 permit-

²¹⁵ Ibid., Acts of 1908, ch. 78.

²¹⁶ Ibid., Acts of 1918, ch. 296.

²¹⁷ Ibid., Acts of 1922, ch. 432.

ting the establishment of a general system of pensions and retirements.²¹⁸ After an investigation of the problems connected with this project by a special commission ²¹⁹ in 1926, a general system for the retirement of all municipal employees was established, and the board of trustees of the retirement fund, that had been authorized to administer this new function,²²⁰ was organized. This board is composed of the comptroller, *ex officio*, of two members of the system elected for terms of four years, and of two members, one of whom must be a responsible bank official, appointed by the mayor for four years.

The city bears the costs of administration of this system of pensions and contributes reserves for the payment of all pensions and other benefits for which it was formerly liable. The bulk of the retirement fund, from which the pensions are paid, is created by assessments upon the salaries of the municipal employees. The employees are not compelled to become members of the retirement system, and those who do not affiliate are entitled to benefits under the previous pension and allowance laws. Upon a majority vote of the teachers in the public schools the control and administration of the Teachers' Retirement Fund was transferred to the board of trustees of the retirement fund.²²¹

Grants.—Grants have been a most insignificant item in the budget.

²¹⁸ Ibid., Acts of 1924, ch. 411.

²¹⁹ Ordinance of Feb. 15, 1924, No. 106.

²²⁰ Ordinance of Feb. 1, 1926, No. 553.

²²¹ Mayor's Message, 1927, p. 181.

CHAPTER III

MUNICIPAL REVENUES

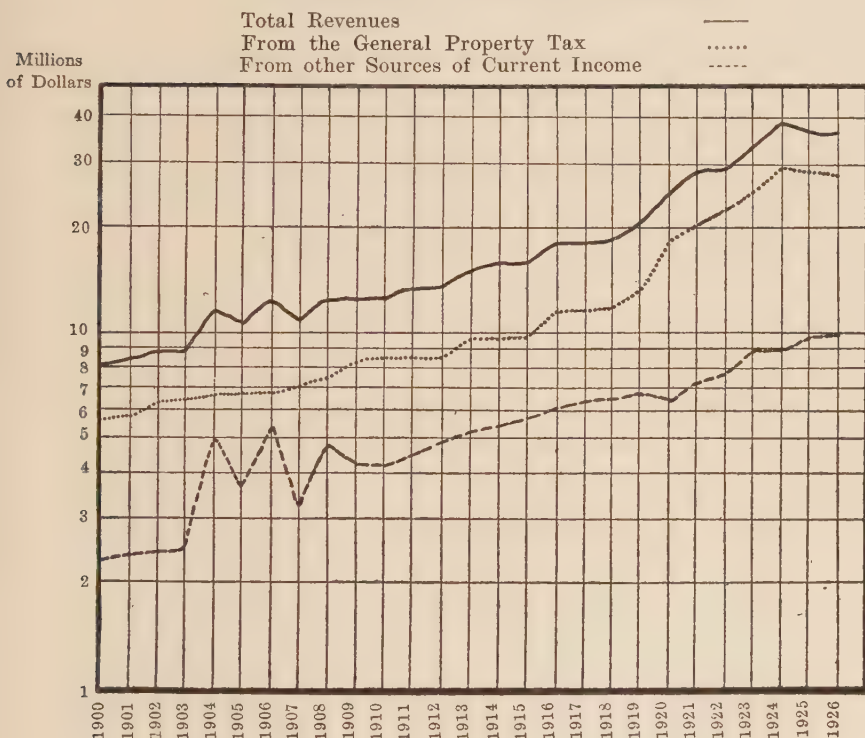
The general property tax continues to be the dominant feature of the municipal revenue system. Municipal income from other sources has been small, or, as in the instance of the state school appropriations, the park tax, and the water rentals, has been devoted to the maintenance of specific municipal services. Revenues from license taxes increased steadily, rising rapidly after 1908 when high taxes were imposed upon liquor sales, but sinking to relative unimportance after the enactment of the Federal Prohibition Act. Upon the whole, special assessments for street reconstruction and paving continued to be merely for the estimated benefits rather than for the entire costs of the improvement; and after 1912, a special paving tax was devised that largely replaced the use of special assessments for street paving. From time to time, to keep the tax rate low and to relieve the burden of the general taxpayer, efforts have been made to make various city services partially, if not wholly, self-supporting.

This period has been marked by progressive expenditures that have been met almost entirely by direct taxation. The steady growth of the taxable basis and the use of funded loans permitted a popular and a fairly constant tax rate until 1919, when the increased costs of government, incident to the rising prices, caused the tax rate to rise to the highest point in the history of the municipality. As the changing values of property resulting from the higher prices were not immediately felt on the taxable basis, and as additional revenues were imperative, the tax rate was increased by \$.96, making the full rate \$2.97 per \$100 from 1920 to 1923. However, a corresponding increase in the taxable basis since 1920 from the increased price levels has permitted the larger use of loans, and at the same time, with reduction in the tax rate, has provided the income necessary for the continuation of progressive expenditures.

GENERAL GOVERNMENT

The general property tax. The most important feature of the general property tax which developed within this period was the substitution of continuous revision of the tax assessment rolls for the spasmodic revisions that characterized the

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past. Dependence is no longer had upon the general reassessments of the state for the basis of local taxation that was characteristic of the previous period of the city's financial history.¹ Revisions of the valuations of local property are

¹ Hollander, 255-264.

made by the appeal tax court, a body composed of three paid members appointed by the mayor for terms of three years, one member retiring each year.² The power to make biennial revisions of the local valuations was conferred in 1896,³ and in 1900 was amended to make it mandatory to revise assessments at least once in every five years.⁴ In view of urgent need for increased municipal expenditures, the mayor called together in 1907 the advisory committee on taxation and revenue to consider the problem of sources of municipal income. This commission declared that the provisions for quinquennial reassessment of property had been entirely neglected. Material and irregular divergencies between the assessed and the actual values were generally prevalent, causing not only considerable losses to the city in revenue but also working a hardship and an injustice upon the taxpayers thru the lack of uniformity and equality in their tax burdens.⁵

The none too accurate general reassessment of 1896, with minor revisions made by the Appeal Tax Court, formed the basis of local taxation until 1907. This condition was caused directly by the inadequacy of the corps of assessors, for which the Board of Estimates consistently failed to provide. Systematic revision of the assessment rolls was impossible under these circumstances, and the activities of the Appeal Tax Court became nothing more than "neighborhood raids" upon those sections noted for low assessments. The most striking example of under assessment was in the burnt district, where the fire erased nine million dollars in improvements from the tax rolls, but upon the reassessment of the sites six million of this loss was restored. This clearly indicated the disparity between the assessed and the actual values, altho a part of this increase was due to the boom of land values consequent to the proposed reconstruction plans.⁶

² The Charter, secs. 146-171.

³ Laws of Md., Acts of 1896, ch. 120, sec. 120.

⁴ Ibid., Acts of 1900, ch. 347.

⁵ Report of the Advisory Committee on Taxation and Revenue, 1907, pp. 9, 24-27.

⁶ Ibid., pp. 100-124.

The continuous revision of the local property valuations may be said to have begun after the fire in 1904 when provision was made for the appointment by the Appeal Tax Court of two competent real estate men as assessors.⁷ The work of these men was highly praised by the Advisory Committee on Taxation and Revenue. This committee urgently recommended a large corps of assessors to permit the continuous revision of assessments in accordance with the law—that is, once in every five years.⁸ Since 1908, the assessing force has been enlarged by the appointment of capable men, and the quinquennial reassessment has been executed, one fifth of the property in the city being revised each year.⁹ In 1925, the Appeal Tax Court adopted the policy of subjecting the whole assessment roll to review year after year.¹⁰ This system, which will not be fully operative until 1929, will keep the assessed valuation in the constant process of equalization.¹¹ As the taxation of real property has been, and undoubtedly will continue to be, the chief source of municipal revenue, efficiency of the reassessing machinery cannot be too strongly urged.

The past experience of Baltimore, as well as of other cities, gave evidence that one of the outstanding defects in the operation of the general property tax was the escape of intangible wealth in the form of stocks and bonds of foreign corpora-

⁷ Report of the Appeal Tax Court, 1910, p. 4; 1912, p. 6. In 1904, the Appeal Tax Court took steps to increase the taxable basis by assessing for the first time the easements of public service corporations. The taxation of such property was upheld by the courts, but the methods of determining the values of easements have caused much dispute. Altho numerous recommendations have been made that the courts declare or the General Assembly legislate how such values should be determined, no action has been taken. The value of such property is determined after arbitration and agreement between the city and these private enterprises. (*Ibid.*, 1908, p. 9; 1909, 4-6; The Charter, sec. 6).

⁸ Report of the Advisory Committee on Taxation and Revenue, 1907, p. 111.

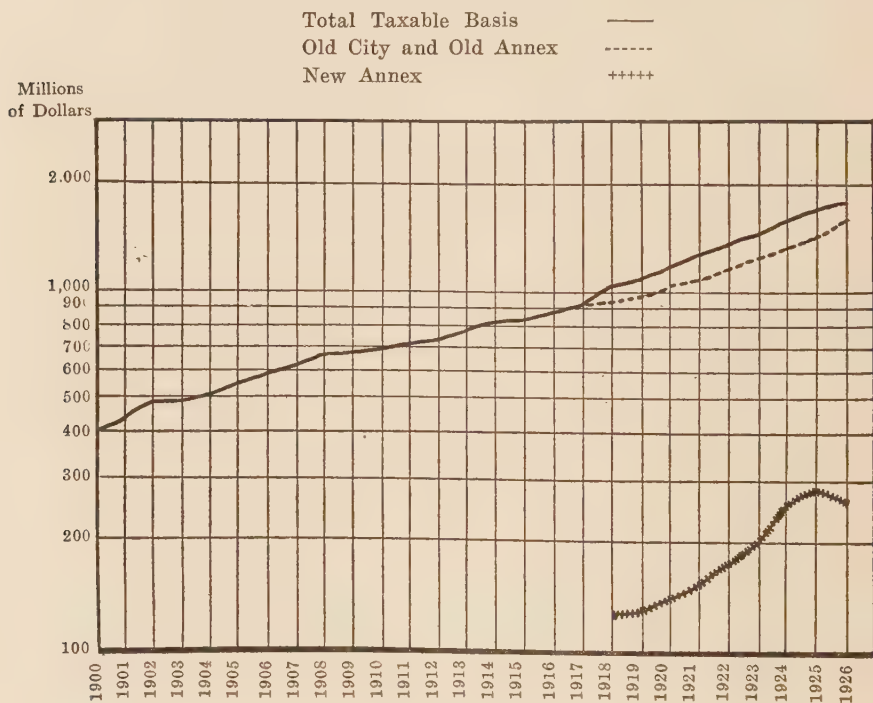
⁹ Report of the Baltimore Tax Commission, 1923, pp. 12-13.

¹⁰ Report of the Appeal Tax Court, 1925, p. 5.

¹¹ Report of the Advisory Committee on Taxation and Revenue, 1907, pp. 39-40.

tions. The chief difficulty lay in placing such property upon the tax assessment rolls.¹² However, since 1900, the returns of such property have increased more than four and one-half times as the result of making intangible wealth a special class of property and of subjecting it to a differential rate of taxation more in keeping with the income derived from owning it.

RATIO CHART OF THE TAXABLE BASIS



This fiscal device was a compromise measure enacted, with regard to practical exigency rather than to scientific analysis, when radical reassessing legislation was before the general assembly in 1896. It provided that stocks and bonds should be assessed at their market value and should be subject to the

¹² Hollander, 261.

regular state taxes and a maximum of \$.30 upon the \$100 for local purposes in lieu of the full local rate. Securities from which no income was derived were exempted.¹³ As the fear of security holders that this reform would be short-lived waned, and as the fear that resort would be had again to the full local rate was dispelled, the returns of the intangible wealth became larger and larger. Fully as important was the public belief that the repeal of this law would be a breach of faith and certainly a departure from sound policy.

The Advisory Committee on Taxation and Revenue of 1907 pointed out that, in spite of the fact that the personalty basis had been neglected by the Appeal Tax Court in directing its limited efforts to obtain a maximum result, the assessment roll of intangibles increased more than 150% between 1896 and 1908.¹⁴ Since 1908 the continuous efforts of the local assessing body to place both tangible and intangible personalty upon the tax rolls have produced reasonably satisfactory results.¹⁵

The great increase in the intangible personalty listed since 1908 undoubtedly reflects to an immeasurable degree a further refinement in the differential tax upon securities. The State Tax Commission of 1912¹⁶ in its investigations considered the problem of taxing intangible wealth. It recommended more favorable treatment in view of the fact

¹³ State and local taxation, 1907, Hollander, "Municipal Taxation of Intangible Wealth." Laws of Md., 1896, ch. 143.

¹⁴ Report of the Advisory Committee on Taxation and Revenue, 1907, pp. 34-40, 124-140.

¹⁵ Summary of the assessment of Baltimore City:

(Totals given in thousands)

	Personalty of individuals, firms, and foreign cor- porations.			Intangible personalty or Securities.		
	Total	Per Capita	Per Cent Increase	Total	Per Capita	Per Cent Increase
1900	\$34,648	\$68.20	.....	\$ 68,879	\$135.58	.....
1908	36,829	64.83	6.2	148,234	260.97	115.2
1926	59,306	73.48	71.1	389,892	483.13	466.0

¹⁶ Laws of Md., 1912, ch. 779.

that increases in the state tax rate were causing avoidance.¹⁷ In consequence of this opinion, in 1914 securities were made a special class of property for the purpose of state taxation and were subjected to a rate of \$.15 per \$100.¹⁸ The dominant feature of this legislation, besides providing additional increments to the city treasury that have afforded relief to the overburdened owner of real property, has been the improvement of the local tax morality.

The corporate stock of domestic corporations continues, as it has since 1878, to be levied upon at the source, and is assessed for both state and local purposes by the State tax commissioner.¹⁹ All corporations are required to file annual returns of their capital stock, which is assessed at its actual market value, deductions being allowed for tax paying and tax exempt investments and properties. The State tax commissioner certifies to the Appeal Tax Court the number of shares held by residents of Baltimore, and the local taxing authorities levy directly upon the corporation to the amount of the full city rate upon the assessed value of these shares.²⁰ Bitter disputes between the state and local assessing authorities arose over the question of under-valuation of corporate stock, and in 1900 the right of appeal to the State comptroller and the State treasurer from the decision of the State tax commissioner was granted to the Appeal Tax Court. Fre-

¹⁷ Report of the commission for the revision of the taxation system of the State of Maryland and the City of Baltimore, 1913, pp. 305-310.

¹⁸ Laws of Md., 1914, ch. 411.

¹⁹ Upon the recommendation of the State Tax Commission of 1912, the State Tax Commissioner was superseded in 1914 by a permanent State Tax Commission. This newly created body was delegated the authority, in addition to the powers relating to the assessment of capital stock of corporations, to equalize assessments upon real and personal property thruout the state in order to eliminate the inequalities in the distribution of the burdens of the general property tax. This act provided that appeals formerly taken from the Appeal Tax Court to the Baltimore City Court are to be taken to the State Tax Commission. Only those appeals from the decisions of the commission involving questions of law may be taken to the courts. (Laws of Md., 1914, ch. 841).

²⁰ The capital stock of banks and trust companies and guaranty companies are subjected to special rates of taxation. (Below, p. 65) also Bagby's Annotated code, 1924, art. 81.

quent recourse was had to this appellate body, whose decisions were final.²¹

All savings banks are required to pay an annual franchise tax of one-fourth of one per cent upon the total deposits. Returns of these deposits are filed by the banks with the State tax commissioner (commission), and the income from this source is apportioned between the state, the counties, and the city. One-fourth of the revenue is retained by the state and three-fourths of the tax upon deposits of savings banks located within their corporate limits goes to the counties and to the city.²² This tax amounts to a levy of eighteen and three-fourth cents upon each \$100 of deposits.

ASSESSED VALUE FOR PURPOSES OF TAXATION

(In thousands of dollars)

	Maryland Incorporated Companies	Shares of Banks and Trust Com- panies	Savings Bank
1900	45,000		. . . †
1904	33,000		69,000
1908	39,000		80,000
1912	42,000		94,000
1916	46,000	12,500	95,000
1920	68,300	17,600	120,000
1924	67,000	36,500	142,000
1926	82,500	39,000	150,000

† Included before 1902 in the personal of Maryland corporations and evaluated as taxable at the full rate. (See Report of the Appeal Tax Court, 1902).

Exemption from the payment of local as well as of state taxes has been granted to certain classes of property. The buildings and equipment of churches, charitable, benevolent, educational, and literary institutions, crops in the hands of the producer, wearing apparel except costly jewelry, the first \$300 in the value of farm implements, the personal property of corporations taxed upon their capital stock, and railroads taxed upon their gross receipts, constitute the chief classes of property entitled to exemption.²³ Mortgages, which were

²¹ Laws of Md., 1900, ch. 399.

²² Bagby's Code, 1924, Art. 81.

²³ Bagby's Code, 1924, art. 81, sec. 4.

formerly subjected to a tax of eight per cent upon the gross amount of interest covenanted to be paid, were exempted in 1904. The stock of Baltimore City was exempt from all local taxation, and the regular state tax was paid by the city without any corresponding deduction from the stockholder, until it was abolished in 1914.²⁴ Household effects to the amount of \$500 were exempted in 1916 from state taxation, and they could be exempted from local taxation at the option of the county or the city.²⁵

The policy inaugurated in 1880 of exempting from taxation for municipal purposes the tools, implements, and machinery used in manufacturing, "to encourage the development of manufacturers and manufacturing industry" in the city,²⁶ has been pursued in the last twenty or more years. Machinery used for the generation of electric power, except that owned by the public service corporations (all of which is excluded from exemption privileges), was exempted in 1912. Machinery used in laundries was placed upon the exempt lists in 1914.²⁷ The annexation act of 1918 specifically stipulated that all personal property in the newly acquired sections and for the purpose of manufacturing was to be exempt from municipal taxation. This personal property included not only machinery, but also raw materials, manufactured products on hand, and all business credits. Similar exemption privileges were granted in 1920 to this class of property in the old city.²⁸ In 1912 the provision for the annual renewal of exemption privileges was repealed, with the single requirement that all applicants were to apply for exemption before the basis of the following year was calculated.²⁹

The principle of exemption was extended in 1914, when the

²⁴ Laws of Md., Acts of 1914, ch. 43.

²⁵ *Ibid.*, Acts of 1916, ch. 393. For purposes of local taxation household effects to the amount of \$300 had been exempted in Baltimore and Baltimore County in 1910. (Acts of 1910, ch. 619).

²⁶ Hollander, 265-266.

²⁷ Ordinance of July 6, 1912, No. 140; Laws of Md., Acts of 1914, ch. 561.

²⁸ Ordinance of March 6, 1919, No. 462.

²⁹ Laws of Md., Acts of 1912, ch. 32.

shares of banks and trust companies were taxed for local purposes at a special rate on one per cent.³⁰ This rate has become even more favorable in view of the rapid rise of the tax rate since 1920, and the Baltimore tax commission recommended that such shares be subjected to one-half the full city rate.³¹ This means of increasing the municipal revenues has been ignored, and in 1927 provisions for still further exemption of this sort were made, when the municipal levy upon the shares of casualty, surety, guaranty, and fidelity companies incorporated in Maryland was limited to one and one-half per cent upon the assessed valuation.³²

After the passage of the home rule charter, petition amendments were filed in the attempt to exempt merchandise for sale from taxation under the claim that it would reduce the cost of living, and to reduce the taxation upon buildings under the claim that it would stimulate the development of the city.³³ Injunction proceedings were begun to prevent the advertisement of the petitions upon the grounds that the charter of 1918 had been illegally submitted to the people of the New Annex and was therefore void. It was also contended that the classification of property for the purposes of taxation was an exclusive power of the General Assembly. The injunction was granted by the court upon the latter count, and in 1920 the legislature specifically denied such classifying powers to the city, reserving them wholly to itself.³⁴

The statutory provision that the property of the Annex of 1888 was not to be reassessed or subjected to a rate of taxation greater than sixty cents upon each \$100 until 1900 was faithfully executed.³⁵ In 1900, upon the expiration of the exemption period, the Appeal Tax Court proceeded to reassess the property in this section. Property that had been laid off into lots and upon which houses had been erected, as

³⁰ *Ibid.*, Acts of 1914, ch. 797.

³¹ Report of the Baltimore Tax Commission, 1923, p. 36.

³² Laws of Md., Acts of 1927, ch. 572.

³³ Records No. 90 and 91, Maryland Court of Appeals.

³⁴ 135 Md. 237; Laws of Md., Acts of 1920, ch. 555.

³⁵ Hollander, 266.

though built upon a street, and property "intersected by open and constructed streets," forming blocks upon which there were at least six houses, was placed upon the full city rate. The people in the Annex, accustomed to a highly favorable rate, protested vehemently against this procedure and sought relief in special legislation, the Foutz Law.³⁶ This act, which was supposedly constructive, narrowly and rigidly defined the property in the Annex subject to the full city rate as that located upon blocks at least 200,000 square feet in area and bounded on all sides by improved highways. This legislation resulted in a large part of the property in the Annex being reclassified under the old sixty cent rate.³⁷

The construction of streets in this section of the city from the Annex Improvement Loan brought much of the property under the full rate, and when the advisory committee on taxation and revenue considered the question of taxation in the Annex, it recommended that the situation be allowed to work itself out. This advice was disregarded, however, and an act was obtained from the General Assembly in 1908 providing for the classification of the property as urban, suburban, and rural. Urban real estate was that which met the requirements of the Foutz Act and was liable to the full city rate; suburban real estate was that which abutted upon an improved street and was liable to two-thirds of the full rate, but not to exceed \$1.30; and rural real estate that which was liable to one-third of the full rate, which was not to be less than sixty-five cents.³⁸

The portions of Baltimore and Anne Arundel Counties annexed in 1918 were constituted a special taxing district, and the property therein was made liable to a rate of taxation equal to sixty per cent of the full rate, provision being made that the rate should be increased two per cent each year.³⁹ It was also provided that in 1939, when this district

³⁶ Laws of Md., Acts of 1902, ch. 130.

³⁷ Report of the advisory committee on taxation and revenue, 1907, pp. 17-24, 73-100.

³⁸ Laws of Md., 1908, ch. 286.

³⁹ Laws of Md., Acts of 1918, ch. 82, sec. 10.

would be liable to the full city rate, the burdens of taxation were to be uniform thruout the city. This meant that after 1939 the old Annex was no longer to be favored by a differential rate.

In view of the rate to which realty in the new Annex was subjected, the policy of taxation in the old Annex became even more unjust, and an attempt was made to amend the charter, by petition, and to impose the full city rate in this section. It was declared by courts, as in the other exemption cases,⁴⁰ that the classification of property for purposes of taxation is an exclusive power of the legislature. In 1920, however, the favorable differential enjoyed by the residents of the old Annex was slightly reduced by the repeal of the limitations upon the rates to which suburban and rural property are liable.⁴¹

The Baltimore Tax Commission, in reviewing the whole situation of annex taxation, recommended, in order to equalize the burdens in the two sections, that suburban property in the Old Annex be taxed at the full rate and rural property at the rate prevailing in the New Annex.⁴² Such legislation was introduced into the General Assembly in 1924, but a strong lobby caused its defeat.⁴³ However, a compromise measure was enacted in 1927, under which the suburban property is subjected to sixty-seven per cent of the full rate and three per cent additional each year, and rural property to thirty-four per cent of the full rate and six per cent additional each year.⁴⁴ Under this arrangement the property in both Annexes is subjected to gradually increasing rates of taxation, and after 1939 the rate of taxation thruout the city will be uniform.

Limitation and rate.—The charter of 1898 placed no limitations upon the sums that the city might raise by taxa-

⁴⁰ Above, p. 65.

⁴¹ Laws of Md., Acts of 1920, ch. 721. The area of a block was also increased to 300,000 square feet.

⁴² Report of the Baltimore Tax Commission, 1923, pp. 14-19.

⁴³ Report of the City Solicitor, 1923-25, p. 8.

⁴⁴ Laws of Md., Acts of 1927, ch. 331.

tion, except to provide that a rate of taxation must be adopted each year which will produce sufficient revenue to defray the expenditures in the ordinance of the estimates.⁴⁵ The rate thruout the period has hovered around the popular rate of \$2.00 on each \$100 of assessed valuation, and successive administrations made determined efforts to maintain it at this level. This has been possible on the whole because of the constantly increasing taxable basis and the use of loans for improvements. In 1905, the rate rose to \$2.115 owing to the expenditures caused by the great fire, and rose again in 1916 owing to the increased sums required to meet the costs of administration and the interest and sinking fund charges upon the rapidly growing funded debt. The rate resumed its norm during the war years, but in 1920 rose to \$2.97, incident to the increased costs of government resulting from inflation. With the reflection of the higher price levels in the taxable basis and with the increases in revenue from other sources after the investigations of the Baltimore tax commission (created in 1923 to study the revenue system with the view of easing the burden of the general taxpayer⁴⁶) the tax rate decreased, being \$2.90 in 1924, \$2.58 in 1925, and \$2.48 in 1926.

Collection.—The characteristic features of the tax collecting system—no allowance of discounts for the prompt payment of taxes, interest and penalties upon tax arrearages, and employment of legal processes to enforce collection from delinquent taxpayers—have undergone no vital changes. The city collector, who is appointed by the mayor, continues to collect the taxes. In 1924 the office of the collector of water rents and licenses was abolished, and the duties of this office were transferred to the city collector, who was made the manager of the Bureau of Receipts, which was established to collect all the revenues accruing to the city.⁴⁷

As early as 1885, the practice of rewarding citizens for the

⁴⁵ The Charter, sec. 40.

⁴⁶ Resolution of February 26, 1923, No. 26.

⁴⁷ Above, p. 14.

prompt payment of taxes was condemned,⁴⁸ but the system persists to this day. The policy of allowing discounts at a better rate than that at which the city could borrow money, however, has been discontinued. The graduated scale from $1\frac{1}{2}$ to $\frac{1}{2}\%$, with a flat rate of $1\frac{1}{2}\%$ upon taxes for personalty, was increased in 1902⁴⁹ to a scale from $2\frac{1}{2}\%$ to $\frac{1}{2}\%$ which was likewise applied to personalty. This discount scale was reduced in 1912 to a scale from $1\frac{3}{4}\%$ to $\frac{1}{4}\%$, which has prevailed until the present time.⁵⁰

The Baltimore Tax Commission recommended the abolition of the system of discounts upon taxes and the imposition of a system of penalties upon tax delinquencies. The first recommendation was disregarded; the second recommendation was adopted. In addition to the penalty upon taxes in arrears of 1% per annum provided for in the charter, a graduated scale of penalties,⁵¹ ranging from 1% to 6% with interest upon the accrued penalties, was imposed. These penalties were reduced in the following year so that the penalty under the provision of the charter and the additional penalties taken together equalled the 1 to 6 per cent scale.⁵² Taxes in arrears are also subjected under the provisions of the charter to an interest charge of six per cent per annum.⁵³

With the collection of eighty to eighty-five per cent of the taxes levied each year, the problem of tax arrearages became less important than it was before 1900.⁵⁴ However, the inves-

⁴⁸ Hollander, 271-272.

⁴⁹ Ordinance of December 9, 1901, No. 14.

⁵⁰ Ordinance of December 18, 1911, No. 55.

⁵¹ Report of the Baltimore Tax Commission 1923, p. 9.

⁵² Ordinance of December 29, 1923, No. 69; Ordinance of December 4, 1924, No. 283.

⁵³ The Charter, Sec. 40.

⁵⁴ Table showing the percentage of the levy collected within the year.

1866.....76.36	1907.....83.87	1917.....82.00
1876.....54.46	1908.....81.96	1918.....83.16
1886.....73.33	1909.....88.77	1919.....84.63
1896.....71.26	1910.....83.10	1920.....82.71
1900.....85.93	1911.....84.00	1921.....81.34
1901.....85.36	1912.....84.30	1922.....80.00
1902.....86.58	1913.....84.11	1923.....81.48

tigations of the Baltimore Tax Commission in 1923 disclosed that the municipal machinery for the collection of taxes was less efficient than that of many other cities in which almost one hundred per cent of the tax levies were collected. Tax delinquencies in Baltimore for the most part have been collected, but there has been "an appreciable amount of revenue, particularly that for which personalty is liable,"⁵⁵ which has been lost beyond recovery.⁵⁶ Since the city solicitor, upon whom the collection of such arrearages has devolved has abandoned the old policy of waiting until the four years' limitation had almost expired before instituting court proceedings, many of the accounts formerly lost thru delay, are now recovered by prompt action.⁵⁷

General licenses.—The revenue accruing to the municipality during this period from license taxes has been relatively unimportant. Altho the fiscal consideration has not been absent, the system of local licenses generally has been regulatory in character. The Baltimore Tax Commission in 1923, in considering new sources of revenue, entertained the idea of extending the license system, but this was deemed inadvisable as it would merely add to the costs of collection. Instead, the commission recommended that increases be made in certain of the existing license taxes.⁵⁸ The only license tax of fiscal importance was imposed upon the privilege of selling intoxicating liquors. Such licenses were issued by

1903.....86.47	1914.....82.07	1924.....90.13
1904.....88.11	1915.....81.62	1925.....92.31
1905.....84.60	1916.....81.50	1926.....94.12
1906.....85.10		

Compiled from the reports of the City Collector and the report of the Baltimore Tax Commission, Mayor's Message 1927, p. 30.

⁵⁵ The failure of the city to collect the personal property tax upon automobiles led to the enactment of a law in 1924 which prohibits the commissioner of motor vehicles from issuing license tags for motor cars upon which this tax has not been paid. (Laws of Md., 1924, ch. 412.)

⁵⁶ Report of the Baltimore Tax Commission 1923, pp. 6-9.

⁵⁷ Report of the City Solicitor, 1923-25, pp. 5-6.

⁵⁸ Report of the Baltimore Tax Commission 1923, pp. 19-21.

the Board of Liquor License Commissioners, a bipartisan body composed of three members appointed biennially by the Governor.⁵⁹ One-fourth of the receipts from this source went to the state and three-fourths to the city,⁶⁰ an arrangement which was repeatedly condemned as unfair to the municipality. The Advisory Committee on Taxation and Revenue in 1907 pointed out that the small tax of \$250 upon the privilege of selling liquors was socially evil because it encouraged the establishment of saloons. It recommended, therefore, that the tax for 1908 should be raised to \$500 and should be increased \$250 each year until the tax was \$1000. In view of the urgent need of the municipality for additional revenue, it was also proposed that the state should not share in this increase,⁶¹ but when these higher liquor license taxes were authorized by the legislature in 1908, this provision was omitted.⁶² The revenues from liquor licenses after 1908 doubled, amounting to approximately a million dollars each year, but practically disappeared after the enactment of the Federal Prohibition Act. "No new source of revenue has been found to offset this loss," altho the Baltimore Tax Commission urged the taxation of the near-beer saloons which have sprung up in great numbers since 1918.⁶³

Rigid measures regulating the grant of franchises were incorporated into the charter of 1898 as a result of a policy of wasteful prodigality, blindly pursued by the city council in the period before 1900, in conferring privileges to use public property for private gain for inadequate compensation.⁶⁴ The charter of 1898, besides making the public property of the city in its waterfront, highways, and parks inalienable, prohibited the grant or renewal of franchises for a period

⁵⁹ This board was abolished, and its powers were transferred to the collector of water rents and licenses in 1923. (Ordinance of December 31, 1923, No. 73.)

⁶⁰ Charter, secs. 664-691.

⁶¹ Report of the Advisory Committee on Taxation and Revenue, 1907, pp. 5, 12-26, 57-73.

⁶² Laws of Maryland, Acts of 1908, ch. 196.

⁶³ Report of the Baltimore Tax Commission, 1923, pp. 21-23.

⁶⁴ Hollander, 276.

longer than twenty-five years and provided for forfeiture upon the failure to comply with the terms of the grant. Franchises are conferred by ordinance of the mayor and the city council, but the terms, conditions, and compensation are fixed at the discretion of the Board of Estimates. The values of such grants are determined by public sale.⁶⁵ This mode of determining value has been criticised, for it has been maintained that a tax upon the gross receipts of the grantee enjoying the privilege, such as the tax upon the street railways devoted entirely to park purposes, would more adequately protect the city.⁶⁶

By a charter amendment in 1900,⁶⁷ the Board of Estimates was vested with the exclusive right of conferring privileges to use public streets for minor purposes such as for drains, stands, areaways, bow windows, and sign boards. The Board of Estimates was also authorized to make charges for these privileges at its discretion. The charges for minor privileges were haphazardly imposed, the Board of Estimates, upon investigating the situation in 1915, finding that many encroachments upon the public highways were paying nothing and that others were taxed disproportionately. To eliminate these inequalities, a new schedule of rates for minor privileges, varied in accordance with the sections of the city, was made effective in 1917, and a Bureau of Minor Privileges under the direction of the Board of Estimates was established to administer these taxes. The revenue from this source increased considerably as a result of this reform.⁶⁸ Upon the reorganization of many of the municipal services in 1925, the Bureau of Minor Privileges was abolished, and its powers and duties were transferred to the Bureau of Buildings.⁶⁹

Since 1914 the State has imposed upon all business corporations in Maryland a franchise tax of a nominal sum

⁶⁵ Charter, secs. 7-13, 37, 37A.

⁶⁶ Municipal Notes, *Annals of the American Academy of Political and Social Science*, 1898, XII, 308.

⁶⁷ Laws of Md., Acts of 1900, ch. 109.

⁶⁸ Mayor's Message, 1918, pp. 50-58.

⁶⁹ Charter, section 85A, part I (5).

depending upon the value of the capital stock. One-half of the revenue from this tax is retained by the state, and the other half is apportioned between the counties and the city in accordance with the number of shares held by their residents.⁷⁰

Miscellaneous general government.—The rentals and proceeds from the sales of city property, the interest upon daily balances, the income from the people's court, and the other miscellaneous revenues have been relatively unimportant.

PROTECTION OF PERSONS AND PROPERTY.

The income derived from the services performing the function of protecting persons and property has been relatively unimportant. Building permits have produced the largest revenue. It was frequently urged that the office of the inspector of buildings should be made more nearly self-sustaining.⁷¹

In 1917 the fees for building permits were increased, the minimum charge for new construction being \$10.00 and for repairs \$1.00,⁷² and since this time the income from this source has been almost sufficient to defray the operating costs of the department.

CONSERVATION OF HEALTH

The municipal income derived from the services of the health department has also been slight. This income comprised the fees for the birth and death transcripts, the receipts from the abatement of nuisances, the pay patients at the Sydenham Hospital, and the quarantine tonnage tax. The quarantine tax, which was the most important source of revenue, was imposed upon vessels according to their tonnage for the medical inspection of crews and cargoes by the physician of the quarantine station maintained by the city.⁷³ This property

⁷⁰ Bagby's Annotated Code, Art. 81.

⁷¹ Mayor's Message, 1915, pp. 12-13.

⁷² Ordinance of May 30, 1917, No. 258.

⁷³ Code of 1906, Art. XIV, Health Ordinances, secs. 159-178.

was sold in 1918 to the Federal government, which assumed the duty of making such inspections and quarantining all cases of infectious diseases occurring in the city.⁷⁴

SANITATION

No revenue of any importance accrues from the function of sanitation. The income from the free baths and the sale of street dirt and refuse collected by the commissioner of street cleaning constitute the larger items. Receipts from sewer connections represent a payment of the property owners to the city for sums expended by the municipality in connecting such properties with the sewerage system.⁷⁵ A sewer rental or tax, similar to the special paving tax, was authorized by the legislature in 1912 subject to the approval of the electorate.⁷⁶ Special assessments, however, have been utilized to finance the construction of sewers; therefore, the proposal of a sewer tax proved very unpopular, and the provision for such a tax was vetoed by the people in 1912.

HIGHWAYS

Motor vehicle licenses and fines.—The receipts from motor vehicle licenses and fines, after deducting the expenses of the commissioner of motor vehicles, are set aside strictly for the maintenance of roads. The city of Baltimore receives one-fifth of the net receipts for its roads, the remainder being expended under the supervision of the State Roads Commission.⁷⁷ The city also receives one-fifth of the proceeds of the tax on gasoline.

Street paving assessments.—The heavy burden of direct taxation very early encouraged the city to finance the costly paving of improved streets by long term funded loans rather

⁷⁴ Ordinance of July 7, 1916, No. 168.

⁷⁵ Above, p. 26.

⁷⁶ Laws of Md., Acts of 1912, ch. 28.

⁷⁷ Bagby's Annotated Code 1924, Art. 56, sec. 178.

than by street paving assessments.⁷⁸ However, the city engineer was authorized, upon the application of the owners of the major portion of the ground bordering upon a highway, to pave and to apportion the costs pro rata among the owners. He was also authorized to pave or to repave streets upon the passage of special enabling ordinances and to determine the portion of the cost for which the abutting owners are liable, provided notice and an opportunity for a hearing are given those who are subject to the assessment. Under this arrangement the cross streets are paved at the expense of the city.⁷⁹

The Annex Improvement Commission was delegated similar authority to pave streets upon the petition of the majority of the owners and was vested with discretion to determine what portion of the cost the owners should bear. The "50-50 plan," under which the city paid half and the owners paid half, was adopted by the commission, and proved very popular. Many of the new streets in the Annex were paved under such agreements.⁸⁰

Investigations by the paving commission disclosed that the five million dollar paving loan would be insufficient to pay the costs of replacing cobblestones thruout the city with smooth paving. The enabling act of 1906 had provided for the assessment of two-thirds of the costs of paving streets upon the benefited property owners; but public opinion was unfavorable to this assessment, and this provision of the law was repealed in 1908.⁸¹ It seemed unjust to levy assessments for improvements from this loan when so many streets had been paved in the past entirely at the cost of the city. Therefore, to raise the additional revenues necessary to defray the costs of providing improved streets, a special paving tax⁸²

⁷⁸ Hollander, 287.

⁷⁹ Baltimore City Code, 1906, Art. 35.

⁸⁰ Report of the Commissioner for Opening Streets, 1906, p. 6.

⁸¹ Laws of Md., Acts of 1906, ch. 401. This act repealed the chapter of the Acts of 1900 which authorized a five million dollar loan for paving, the benefits to be assessed against the abutting property owners. Laws of Md. 1908, ch. 202.

⁸² *Ibid.*, Acts of 1912, ch. 688. The constitutionality of this act was questioned but the courts upheld its validity. (120 Md. 671).

was devised. This fiscal device was much less of a burden upon the taxpayers than the two-thirds assessment, and it treated owners of property more justly because those who had benefited by improved streets at no cost were made to contribute toward the costs of such improvements for others.⁸³ The special paving tax was graduated in accordance with the width of the street and the frontage of the property. It was levied for a period of ten years upon all property abutting upon improved streets heretofore paved without assessment upon the property owners, and upon all property abutting upon streets paved after 1912.

After the adoption of the special paving tax, the "50-50 plan" of the Annex Improvement Commission was altered to make the property owners liable to the paving tax,⁸⁴ After 1920, when the Annex Improvement Commission was dissolved, the paving commission (the bureau of highways) made similar agreements with the realty developers. The developers at their own expense graded the streets, paid one-half of the paving costs, and the property abutting upon streets paved under such agreements was subjected to the special paving tax.⁸⁵ This arrangement was far superior to that under which the private developers graded the streets at levels suiting their own convenience, paved them with any sort of material, and dedicated them to the municipality, burdening the city with imperfect highways that did not conform with the general street plan. In 1922 another arrangement was devised under which the streets were paved by the city upon the application of the owners of seventy per cent of the abutting property. Under these agreements the city paid one-third and the owners, who were exempted from the special paving tax, paid the other ⁸⁶ two-thirds. The special paving tax and special assessments for paving are made liens upon property and are collected like taxes by the City Collector.

⁸³ Mayor's Messages, 1911, 1912.

⁸⁴ Ordinance of March 16, 1914, No. 417.

⁸⁵ Report of Paving Commission, 1922, p. 40.

⁸⁶ Ordinance of July 19, 1922, No. 739.

Assessments for street reconstruction.—The municipality, during the period under consideration, has adhered to the policy of levying special assessments upon property to the amount of the estimated benefits resulting from opening and reconstructing all streets, and, in specific instances, of levying special assessments for the entire cost of such improvements. There was much opposition to the assessments levied upon the opening of the Fallsway and the Key Highway. The constitutionality of the act authorizing the construction of the Fallsway was questioned. In view of the fact that no mention of this fiscal device was made in the act itself, and a loan was provided for the cost of the project, the power of the city to levy assessments was in doubt. The courts declared the act valid and also upheld the authority of the city under its powers conferred by the charter to levy assessments for the opening of this highway,⁸⁷ providing the benefits did not exceed the total damages. Exemption from the levy of special assessments was sought in special legislation in connection with the opening of the Key Highway, but this act of the General Assembly was declared unconstitutional.⁸⁸

Gross receipts from private paving.—It was made illegal to dig up the street of the city without a permit that was granted, under the condition that the city engineer repave or regrade at the expense of the applicant.⁸⁹ To prevent the destruction of streets paved with costly materials, all underground structures were required to be laid before such paving was laid. Improved streets were to be torn up only in emergency cases, and then only under the authority of a permit issued at the discretion of the mayor and the city engineer.⁹⁰ The increased charges imposed for cutting improved streets after 1912 greatly discouraged the application for such permits.⁹¹ Legislation was enacted in 1914 imposing the costs of repav-

⁸⁷ 116 Md. 683, 121 Md. 523, 121 Md. 505.

⁸⁸ 135 Md. 36; Laws of Md. 1914, ch. 470; 126 Md. 596.

⁸⁹ Baltimore City Code 1906, art. 33, secs. 104-118.

⁹⁰ The Charter, secs. 86 A and B.

⁹¹ Report of the Highways Engineer, 1912, p. 13.

ing the railway area in streets upon the track-using corporations, but this was subsequently declared invalid.⁹² In assuming the responsibility of private paving, the municipality adopted a policy of charging the cost plus ten per cent.⁹³

Property owners were also required to keep the footways in good repair.⁹⁴ In 1912, the city engineer was given the authority to determine the sort of materials to be used in such repair,⁹⁵ and in 1916 a campaign was begun to renew with concrete all brick pavements at the cost of the owners.⁹⁶ This movement was halted almost at the very beginning by injunction proceedings, when the courts declared that the city could enforce the paving or repair of footways only when they were in a dangerous condition or improperly graded.⁹⁷ After these court decisions, only the costs of those footways that had been in a dangerous condition were assessed against the property owners.⁹⁸

Those private streets and alleys that constituted a menace to the public health were paved by the owners upon the order of the health commissioner.⁹⁹ After 1905 such work was done by the city engineer upon the order of the health department, and the costs were apportioned among the property owners.¹⁰⁰ This change in procedure prevented the laying of cheap and unsatisfactory pavements by the owners. With the paving of public streets and alleys proceeding rapidly under the paving commission and other public agencies, the highways engineer was authorized for the sake of public convenience and health to pave all private alleys with concrete or other approved materials. The procedure provided that after the alleys were paved the owners, against whom assessments for the entire costs were levied, were to have an opportunity to

⁹² The Charter, sec. 800 C.

⁹³ Report of the Highways Engineer, 1912, p. 7.

⁹⁴ Baltimore City Code 1906.

⁹⁵ Ordinance of May 10, 1912, No. 102.

⁹⁶ Ordinance of June 26, 1915, No. 7.

⁹⁷ Report of the Highways Engineer, 1917, pp. 13-14.

⁹⁸ Ordinance of June 13, 1917, No. 266.

⁹⁹ Baltimore City Code 1906, Art. 23, sec. 74.

¹⁰⁰ Ordinance of October 23, 1905, No. 13.

be heard and to make an appeal.¹⁰¹ The execution of this ordinance caused much public dissatisfaction because private alleys were used by the public generally, yet were paved at the cost of the owners. In 1924 a local ordinance was enacted providing that the costs of paving public as well as private alleys should be apportioned among the abutting property owners.¹⁰²

CHARITIES AND CORRECTIONS

Relatively unimportant revenues accrue to the treasury from the activities of the supervisors of city charities and the visitors of the jail. The fines imposed by the criminal court upon persons for keeping disreputable houses, are devoted toward the maintenance of dispensaries.¹⁰³ Also, the policy of encouraging relatives to pay for the care of insane patients produced sufficient income to defray the office expenses of the supervisors. The sums received for the hire of inmate labor constitute the revenues of the city jail.

EDUCATION

The general state system of public schools established in 1865 continues, and an annual state tax is levied for school purposes. The proceeds of this tax constitute the General State School Fund. State appropriations from this fund for free text-books and materials of instruction are made annually and are apportioned among the counties in accordance with the average school enrollment of the preceding year. The remainder of this fund after deducting, in addition to the appropriation for text-books, the expenses of the State Department of Education, the expenses of the state normal schools, the annual appropriations for teachers' pensions, for state aid to public high schools and colored industrial high schools, for the part payment of the salaries of the superin-

¹⁰¹ Ordinance of June 1, 1917, No. 260.

¹⁰² Ordinance of April 3, 1924, No. 140.

¹⁰³ The Charter secs. 438-444; one-half of the fines imposed by the criminal court and all the fines for violation of municipal ordinances go to the city.

tendents and the supervising teachers of the counties and the city, and for the salary of one attendance officer in each county and the city, and appropriations to the Equalization Fund, are apportioned among the counties and the city. Two-thirds of the remaining fund is apportioned in accordance with the population of school age, and the other one-third is apportioned upon the basis of the aggregate days of school attendance.¹⁰⁴

Unimportant revenues devoted to school purposes arose from intestates' estates,¹⁰⁵ tuition fees, and the city's distributive share of the Free Public School Fund. This latter fund consisted of the income from the investment, upon the part of the state, of the taxes upon state bank stock, which was first collected in 1816, the state's share of the surplus revenue of the Federal Government which was distributed in 1837, and the interest upon the money advanced by the state in aid of the federal government during the War of 1812, which was paid in 1858.¹⁰⁶ In 1927 legislation was enacted providing for the sale of these investments and the distribution of the principal among the counties and the city.¹⁰⁷ This fund was created by the state and consisted of the income from several investments: first, the income from the investment of the taxes upon the stock of state banks, which was levied for the first time in 1816; secondly, the income from the investment of Maryland's share of the surplus revenue of the federal government, distributed in 1837; and thirdly, the income from the investment of the interest upon the money advanced to the federal government during the War of 1812, mentioned above.

RECREATION

Park tax and miscellaneous park revenues.—For the maintenance of the public park system, a franchise tax was levied upon the gross receipts of the street railway company. The

¹⁰⁴ Bagby's Annotated Code 1924, Art. 77, secs. 204-210.

¹⁰⁵ The Charter, secs. 808-813.

¹⁰⁶ Abraham Flexner and Frank P. Bachman, *Public Education in Maryland* (1916), pp. 137-140.

¹⁰⁷ Laws of Md., Acts of 1927, ch. 453.

yield of this tax, which has been nine per cent since 1882,¹⁰⁸ has risen steadily with the growth of the population. The revenue from this source in 1926 was about three times greater than it was in 1900. However, revenue from the park tax has been falling off since 1924, and it is believed that if park improvement and extension is to continue provision must be made in the general levy for the function of recreation. The miscellaneous revenues, such as the receipts from the swimming pools and the stadium, are negligible.

The avenue of escape from the park tax opened to the railway companies, after the courts declared that the gross receipts of the companies earned from the operation of car services over private rights of way in the Old Annex were not liable to the franchise tax, is being gradually closed by the development of the Old Annex. The municipality was authorized in 1904 to acquire all private property, rights, and easements necessary to execute its program of street paving improvements in this section under the supervision of the Annex Improvement Commission.¹⁰⁹ Upon these railway easements becoming public property, the railway companies were liable to a lump sum charge for the grant of a franchise to use such road beds for their tracks, and their gross earnings therefrom were liable to the full park tax. However, a compromise measure was enacted in 1906, providing that the Board of Estimates might grant perpetual franchises when the private right had been in perpetuity. It was also provided that the Board of Estimates might, in fixing the compensation of such franchises, dispense with the consideration of other applicants for the same grant and with public sale. The only requirement was that in no instance was the compensation to be less than the cost to the city in acquiring such easements or rights of ways. The arrangement also provided, with the consent of the Board of Estimates and with the approval of the mayor and the city council, that such road beds were to be subjected gradually over a period of eleven years to the full park tax.¹¹⁰

¹⁰⁸ The Charter, sec. 797.

¹⁰⁹ Laws of Md., Acts of 1904, ch. 274, sec. 5.

¹¹⁰ The Charter, secs. 800A, 800B.

PUBLIC SERVICE ENTERPRISES

Water rentals.—The municipal government since assuming control of the water supply has nominally sponsored the policy of service at cost, but the fiscal history of the water supply has been a repeated succession of divergencies from this principle. The beginning of the period found the finances of the water board in a healthy condition,¹¹¹ but this condition did not last long, as the rates were reduced in 1901.¹¹² The revenues were reduced more than was anticipated, which was particularly unfortunate in view of the imperative need of extending the service, and only the most rigid economy prevented deficits.¹¹³ After the fire, which caused much damage and loss of revenue, it was necessary to make an extraordinary appropriation of \$73,000 to the water board from the Western Maryland Railroad fund.¹¹⁴

The Water Board strongly urged ¹¹⁵ substantial increases in the water rentals, to eliminate the possibility of deficit as well as to provide properly for the extension and improvement of the water supply for the next ten years. But this advice was unheeded by the city council, when in 1904 it passed an ordinance to provide for higher water rates and to put one cent in the tax levy to defray the cost of water used by the municipal departments.¹¹⁶ The small addition to the revenue resulting from this change in schedule of rates, afforded only temporary relief, as the increasing costs of the expanding service soon exceeded the surplus and caused deficits in 1906, 1907, 1908, 1909, and 1911.¹¹⁷ Further improvements were

¹¹¹ Report of the Water Board 1900.

¹¹² Ordinance of May 13, 1901, No. 135.

¹¹³ Report of the Water Board 1903.

¹¹⁴ Ordinances of June 17, 1904, Nos. 99 and 102.

¹¹⁵ In 1904 the Charter was amended providing that the water board should exercise such powers of assessment, establishment, and abatement of water rents as may be delegated to it by ordinance, and the control of the board over water rates was widened considerably. (The Charter, sec. 87 A.)

¹¹⁶ Report of the Water Board 1904, p. 12. Ordinance of July 5, 1904, No. 125.

¹¹⁷ *Ibid.*, 1906, p. 6; Mayor's Messages 1909, p. 44; 1911, pp. 171-175; Ordinance of December 4, 1911, No. 43.

thus made entirely dependent upon loans. After the rates were again increased in 1912, approximately thirty per cent, the financial condition of the water board was greatly improved, and an actual profit accrued to the city in 1913, 1914, and 1915.¹¹⁸

During the period of the war when prices increased rapidly, the water department again operated with considerable deficits. The Baltimore Tax Commission investigated the situation in 1923,¹¹⁹ and, in consequence of its recommendations, the water rates were raised. In addition, the board of park commissioners were charged with the water consumed in the public parks, and provision was made for a levy sufficient to defray the costs of the water supplied to the various municipal services.¹²⁰ With this increase in the rates, the water service was once again operated at a profit to the city.

The inefficiency of the office of the collector of water rents and licenses, which permitted large percentages of the water rentals to remain uncollected was vigorously condemned by the Baltimore Tax Commission.¹²¹ After 1923 the local laws, providing for the stopping of water service to delinquent rent payers, were more rigidly enforced, and larger gross revenues from water rentals were collected.

The interest and sinking fund charges upon all but one of the water loans issued since 1900 have been borne by the levy upon the general taxpayers, altho such charges have been offset partially or wholly in those years in which the water service has been operated with a net revenue over operating costs. The interest charges upon the water stock issued for improvements to the water supply prior to 1900 and all charges upon the 1943 Water Loan have been taken from the

¹¹⁸ Report of the Water Board, 1913, pp. 5-8; 1914, p. 8.

¹¹⁹ Report of the Baltimore Tax Commission 1923, pp. 23-27.

¹²⁰ Ordinance of December 31, 1923, No. 72. The extension of the meter system to all water consumers such as is now extended to the business establishments, industrial plants, and the various institutions, is recognized as the most equitable method of charging for water, but such a policy has not been inaugurated owing to the enormous capital outlays that it would require.

¹²¹ Report of the Baltimore Tax Commission 1923, pp. 10-11.

water revenues. The amortization charges upon the stock issues prior to 1900 ¹²² have been borne by the general levy. Actually to execute a policy of "water at cost," rates must be imposed in view of the anticipated expenditures over a period of years. These rates must be high enough to produce a net revenue over operating costs sufficient to meet the interest and sinking fund charges upon the loans expended for the improvements and extensions in the water supply.¹²³

Conduit rentals.—When the construction of a system of conduits to eliminate unsightly overhead wires was begun in the decade prior to 1900, it was believed that the rentals would make it self-sustaining. This anticipation was not realized until 1923. Prior to this date, the operating and maintenance expenses and the interest and sinking fund charges upon the conduit loans greatly exceeded the conduit receipts, and the burden of the project of conduits was shifted from the users to the general taxpayers.¹²⁴ All suggestions to relieve this situation were rejected by the city council and the same scale of rates prevailed from 1900 to 1923.¹²⁵ Generally it has been considered unfair to the users to make this enterprise entirely self-supporting because considerable space is as yet unoccupied owing to the status of construction,

¹²² Hollander, 293; Report of the Comptroller 1913, p. 175.

¹²³ The following is a summary of the financial condition of the water supply taken at five year intervals:

	Expenditure from water revenues	Interest and sinking fund charges borne by levy	Total water costs	Total water revenues
	(In thousands of dollars)			
1900	1,011	117	1,128	948
1905	886	125	1,011	902
1910	1,031	159	1,190	1,061
1915	929	304	1,233	1,546
1920	2,054	340	2,394	1,835
1925	1,785	1,312	3,097	3,211

¹²⁴ Report of the Baltimore Tax Commission 1923, pp. 27-29.

¹²⁵ Report of the Electrical Commission 1923, pp. 8-9; Ordinance of December 10, 1900, No. 81.

and because the city departments use duct space without charge.

The Baltimore Tax Commission considered the expenditures for conduits in connection with the heavy burden of a \$2.97 tax rate upon the general taxpayers. It urged increases in the duct rentals sufficient to meet the costs of operation, and the interest and part of the sinking fund charges upon the conduit loans. In 1923 increased rates, even higher than those recommended by the commission, were adopted.¹²⁶ Since this change the underground system for cables has produced a revenue in excess of the expenditures for operation and for loan burdens.¹²⁷ As a larger portion of the duct space is completed for occupation, it is believed that the additional revenue arising therefrom will pay the entire cost of constructing the system of conduits in the course of time.¹²⁸

Public wharves and docks.—The municipal income from public wharves and docks has increased during this period about ten fold as a result of the modern system of municipal piers that was erected since the fire in 1904. The public

¹²⁶ Ordinance of October 26, 1923, No. 35.

¹²⁷ The following is a Table summarizing the finances of the Conduit system from 1922 to 1926:

	Interest and sinking fund charges	Operation costs from the levy	Total charges upon levy for conduits	Conduit rentals
	(In thousands of dollars)			
1922	350	46	396	303
1923	345	31	376	333
1924	257	94	352	420
1925	272	53	325	448
1926	299	51	350	390

The decrease in the charges for interest and sinking funds was caused by the discontinuation of several sinking funds for conduit loans and the use of the interest thereon to pay the interest charges on the outstanding debt. Also there are no sinking fund or redemption charges on the conduit loans of 1924 or 1927, the first series of which come due respectively in 1936 and 1933. See above, p. 52.

¹²⁸ Mayor's Messages 1925, p. 143; 1927, p. 112.

waterfront property and the water rights have been leased since 1908 at the discretion of the Board of Estimates which fixes the terms, conditions, and financial considerations of each lease, subject to the approval of the city council.¹²⁹ Merchandise and goods landed upon and shipped from public piers are subjected to *per diem* wharfage fees, and all vessels lying at municipal docks and wharves are subjected to dockage charges in accordance with their tonnage. Such charges, wharf rents, and the fines for the violations of the regulations of the harbor board are collected by the harbor master and his assistants,¹³⁰ who are appointed by the comptroller.¹³¹

Broadway ferry.—The Broadway Ferry that is operated by the Harbor Board has never produced a net revenue.

Markets.—The municipal markets, in addition to supplying a public need, have produced revenues exceeding the costs of maintenance during this period. The rentals upon market stalls, except upon street stalls which are not liable to such payments, are fixed by the market clerks subject to the approval of the Board of Estimates. However, all the stalls are liable to an annual license tax and to charges for market cleaning. The latter were levied *per diem* and collected by the market clerks¹³² until 1914, when a fixed sum, payable directly to the comptroller, was substituted for the ten cent *per diem* rate. The fees for the annual licenses were also doubled.¹³³ Further changes in the charges for market stalls were made in 1924, when the flat rate was abolished, and stalls were subjected to yearly rentals and one greatly increased license tax.¹³⁴ As a consequence of this change, larger returns have been obtained from the enterprise of markets.

¹²⁹ Laws of Md., Acts of 1908, ch. 151.

¹³⁰ Baltimore City Code 1906, art. 13.

¹³¹ The Charter, sec. 34.

¹³² Baltimore City Code 1906, art. 26.

¹³³ Ordinance of July 25, 1913, No. 332.

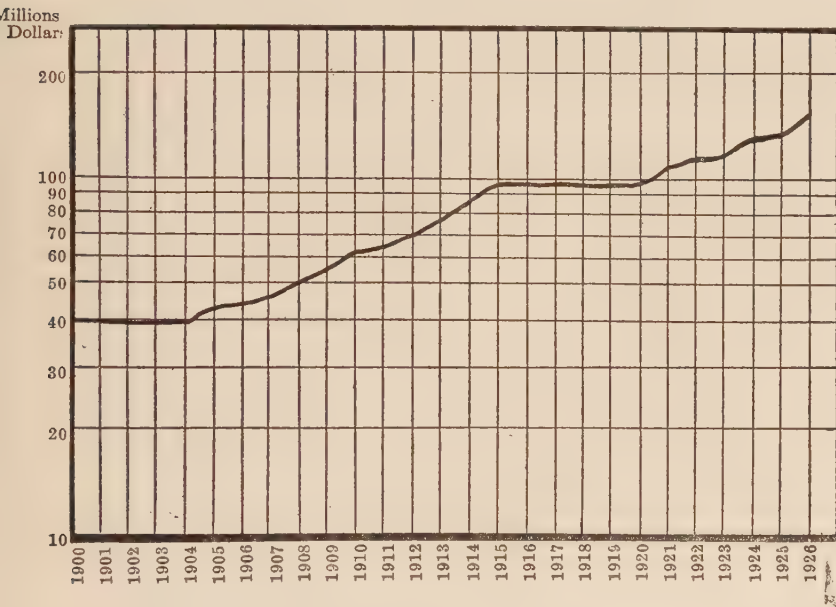
¹³⁴ Ordinance of April 22, 1924, No. 160.

CHAPTER IV

MUNICIPAL INDEBTEDNESS

The modern era of municipal indebtedness that began about 1860 continues, and the problems of debt administration and of indebtedness assume greater magnitude with each succeeding year. As a result of the policy of successive administrations depending almost wholly upon the credit of the city for

RATIO CHART OF MUNICIPAL FUNDED DEBT.



the construction of costly public improvements, the funded debt during the last twenty-six years has increased about two and one-half times. More than one-half of this additional debt has been incurred since 1920.

The Civil War caused the lines of communication between the city and the South and the West to be broken, and trade that was the economic mainstay suffered greatly. Business energies were thus forced into other channels, such as manu-

factures, but, in the transition stage of difficult and slow readjustments that followed, a conservative spirit was born that pervaded business generally. This conservative spirit was reflected in the municipal administration thruout the early years of this period. The great fire of 1904 seems to have awakened the city from its characteristic conservatism and with the rebuilding of the burnt area there were incessant demands for public improvements essential for the public welfare, for the public convenience, and for the development of the city into a modern industrial and commercial centre.

GROWTH OF THE FUNDED INDEBTEDNESS
INCREASES IN THE FUNDED DEBT 1900-1926
(In thousands of dollars)

Purposes:	1900-04	1905-15	1916-19	1920-26	TOTALS
GENERAL IMPROVEMENTS. 664				24244	24908
BURNT DISTRICT IMPR...		6685			6685
CONDUITS..... 870		3505	755	1220	6350
SEWERS.....		23000		5500	28500
WATER..... 127½		5672½	200	19956	25956
SCHOOLS.....		2500	49	13289	15838
STREET IMPROVEMENTS..		8985	2294	5425	16704
HARBOR.....		3500			3500
PARKS.....		1000			1000
FIRE ENGINE HOUSES....		1000			1000
GENERAL FUND BONDS..		1500	1200	300	3000
HOSPITALS.....				750	750
POLICE STATIONS.....				1000	1000
MUNICIPAL BLDGS.....				1099	1099
REFUNDING LOANS..... 6175					6175
TOTAL ISSUES..... 7,836½	57,347½	4,498		72,783	142,465
REDEMPTIONS..... 2,759⅔	517⅔	4,628⅔	17,823⅔	25,728⅔	
NET INCREASES..... 5,076⅔	56,829⅔	-130⅔	54,959⅔	116,736⅔	

LOANS AUTHORIZED BUT NOT YET ISSUED

Purposes:	Date:	Amount
Harbor Serial 1922-61.....	1920	\$ 9,644,000
Conduits.....	1927	1,000,000
Library.....	1927	3,000,000
Street Improvements.....	1927	8,000,000
Composite Loan *.....	1927	4,000,000
Schools.....	1927	10,000,000
Water.....	1927	10,000,000
Sewers.....	1927	10,000,000
Airport.....	1927	11,500,000
		\$56,144,000

† Net decrease.

* The greater part of this loan is apportioned for hospitals, the remainder to be expended upon police stations and fire engine houses.

1900-1904.—These four years were marked by conservatism and reaction toward debt increase. The gross funded indebtedness of the municipality in this period decreased slightly; the refunding of loans constituted the major operations.

General improvement loans.—The remaining \$664,000, of the four million dollar composite loan of 1894,—one million of which was for the extension of the park system, two million for the erection of a new court house, and two million for the extension of the water system,¹—was depleted by 1904. The issues from this Four Million Dollar 1945 Loan in 1901, 1902, and 1904 were for the purchase of additional park acreage.

Conduit loans.—A new conduit loan of one million dollars was authorized by the legislature in 1902,² and \$220,000 of the stock of this conduit loan of 1928 was issued. In addition to this sum, the balance of \$650,000 remaining from the conduit loan of 1922, authorized in 1896,³ was issued for the extension of the system of municipal conduits.

Water loans.—In the improvement of the water service, the balances from the two million dollars for the enlargement of the water supply apportioned from the four million dollar loan of 1945 were issued, and a new water loan of one million dollars was approved in 1902.⁴ During 1903 and 1904 \$127,500 of this latter loan was issued to the water department. The sinking fund as well as the interest upon this Water Loan of 1943 was charged directly to the water revenues.

Refunding loans.—The five Jones Falls loans bearing interest at rates ranging from three to six per cent, the City Hall six per cent loan, and the Funding six per cent loan, all matured in 1900, and all of them were partly redeemed and the balance, to the amount of \$4,300,000, was refunded into

¹ Laws of Md., 1894, ch. 149; Ordinance of Oct. 5, 1884, No. 137.

² Ibid., 1902, ch. 246; Ordinance of Oct. 15, 1902, No. 87.

³ Ibid., 1896, ch. 350; Ordinance of July 25, 1896, No. 120.

⁴ Ibid., 1902, ch. 333; Ordinance of Oct. 14, 1902, No. 86.

a new stock issue. The interest rate was reduced to three and one-half per cent and provision made for a sinking fund levy of two cents upon the taxable basis until the date of maturity in 1940.⁵

Provision was made in 1898 for the retirement, as they came due in 1900, of the third mortgage bonds of the Western Maryland Railroad to the amount of \$875,000 the principal and interest of which were guaranteed by the municipality. The arrangement also provided for the retirement, as they came due in 1902, of the fourth mortgage bonds to the amount of \$1,000,000, which sum had been loaned directly to the railroad by the city in 1872. The railroad company had repeatedly defaulted upon the interest payments and the municipal treasury had borne these charges. Care was taken not to destroy the bonds for fear that this procedure would invalidate the liens upon the railroad property incident to the failure of the Western Maryland Railroad to pay the covenanted interest. The interest rate upon the new issue was reduced to three and one-half per cent, and with this lighter burden it was expected that the company would be able to meet the interest payments and to provide for the redemption of these refunded issues at the date of maturity.⁶ However, upon the sale of the city's interest in the Western Maryland Railroad to private enterprise in 1902, the sinking funds already established for the amortization of these loans, together with a considerable sum from the proceeds, were set aside to take care of the interest payments and to retire these issues at maturity.⁷

1905-1915.—In the eleven years from the beginning of 1905 to the close of 1915 the gross outstanding indebtedness of the city grew from \$39,962,000 to \$96,972,000 or 142.66 per cent. This increase, which involved new stock issues to the amount of \$57,347,000, was due to the fact that the muni-

⁵ Laws of Md., 1898, ch. 210; Ordinances of Mar. 9, 1898, No. 18 and May 6, 1898, No. 32½.

⁶ *Ibid.*, 1900, ch. 280; Ordinance of February 8, 1900, No. 32.

⁷ Report of the Commissioners of Finance, 1926, pp. 89-90.

cipality launched upon a gigantic program of public improvements after the fire in 1904. Immediately after the fire, plans were drawn for the rebuilding of a modern business district to replace the old one and a system of modern piers to replace the antiquated system destroyed by the fire. With these projects of reconstruction complete or well under way, the attention of succeeding administrations was directed toward the construction and attainment of such essential comforts and conveniences as a sanitary sewerage system, an adequate and pure water supply, smooth streets, adequate facilities for fire protection, better schools, additional parks, and the elimination of the unsightly overhead wires by the extension of the system of municipal conduits.

Burnt District Improvement Loans.—The general assembly in 1904 authorized the expenditure of the net proceeds of the city's interest in the Western Maryland Railroad, which was in the custody of the commissioners of finance.⁸ Also a loan of six million dollars was authorized for the widening, regrading, and repaving of the streets in the burnt district and for the construction of a system of modern piers to be owned and managed by the municipality.⁹ These sums were insufficient, and an additional loan of one million dollars was authorized by the legislature in 1908 and ratified in 1909.¹⁰ Only \$685,000 of this loan was issued, and the remainder was cancelled.¹¹

Conduit loans.—Stock issues for the extension of the conduit system continued during this period, and two additional loans were authorized—one for one million in 1908, another for two million in 1912.¹² The first of these as well as the balance of \$780,000 remaining from the conduit loan of 1928

⁸ Laws of Md., 1904, ch. 87, sec. 29.

⁹ Ibid., 1904, ch. 87; Ordinance of Apr. 21, 1904, No. 71.

¹⁰ Ibid., 1908, ch. 247; Ordinance of Oct. 15, 1909, No. 391.

¹¹ Report of City Register, 1921, p. 6.

¹² Laws of Md., 1908, ch. 165; 1912, chs. 27; Ordinances of June 4, 1908, No. 142 and Oct. 11, 1912, No. 162.

was exhausted, and \$1,725,000 of the two million conduit loan of 1962 was issued.

Sewer loans.—It was during this period that the construction of a sanitary and storm water sewerage system was begun. Three successive stock issues—one in 1906 for ten million dollars, one in 1910 for ten million dollars, and another in 1912 for three million dollars were authorized and ratified for this purpose,¹³ and expended under the supervision of the sewerage commission. With the exhaustion of the last of these loans, the sewerage commission retired from office, and the operation and the extension of the system of sewers was once again assumed by the highways engineer.

Water loans.—The remainder of the one million dollar Water Loan of 1943 (\$872,500) was issued and expended in the improvement of the water service, and in 1908 a loan of five million dollars was authorized for the construction of a dam at Loch Raven to provide a large water supply and for a filtration plant.¹⁴ Difficulties arising over the property necessary to construct the dam delayed the execution of the plans, and it was not until 1912 that the project began in earnest. Four million eight hundred thousand dollars of this loan, however, had been issued by the close of 1915.

School loans.—To relieve the acute need for more school houses, two loans for schools were authorized and ratified by the electorate—one for one million dollars in 1907 and another for one and a half million dollars in 1910.¹⁵ These loans had been issued in their entirety by 1915.

Street improvement loans.—The municipality was authorized in 1904 to borrow two million dollars to be expended for street improvements in the Old Annex.¹⁶ The opening, grad-

¹³ Ibid., 1904, ch. 349; 1910, ch. 630; 1914, ch. 323: Ordinances of March 20, 1905, No. 227; Apr. 5, 1911, No. 653; Oct. 3, 1914, No. 517.

¹⁴ Ibid., 1908, ch. 214; Ordinance of June 4, 1908, No. 141.

¹⁵ Ibid., 1906, ch. 552; 1910, ch. 92: Ordinances of March 22, 1907, No. 240, and June 13, 1910, No. 556.

¹⁶ Ibid., 1904, ch. 274; Ordinance of March 6, 1905, No. 216.

ing, and paving of streets in this section permitted the imposition of the full city rate of taxation upon property surrounded by paved streets, and after 1908 the imposition of a special rate upon property abutting upon an improved street. The additional revenue to the city arising from this partly defrayed the interest and sinking fund charges upon loans, and, therefore these street improvements were in accordance with a sound business policy. With the exhaustion of this loan, an additional loan was authorized in 1910 to the amount of two and one-half million dollars. The total stock issues for this purpose between 1905 and 1915 amounted to \$3,725,000.¹⁷

In 1911 the five million dollar paving loan, that was authorized by the General Assembly in 1908,¹⁸ was submitted and approved, and the paving commission began its task of substituting smooth highways for cobble stone streets. Four million five hundred thousand dollars of this loan had been appropriated by 1915. In connection with the sanitary and storm water drainage system, which was constructed within this period by the sewerage commission, an important street improvement was urged—that is, the covering of the Jones Falls and the construction thereon of a highway which would make a short route of an even grade to the waterfront. The Sewerage Commission after considering the proposal decided that such an improvement could not be defrayed from the sewer loans,¹⁹ and a loan of one million dollars after much agitation was authorized specifically for this purpose in 1910.²⁰ The proceeds from \$760,000 was issued to the credit of the commission on the city plan by 1915. The two million dollar Light Street Bridge loan authorized in 1912 was voted down by the people in the same year.²¹

Harbor loans.—The construction of a system of municipal piers after the fire aroused interest in the development of

¹⁷ Ibid., 1910, ch. 736; Ordinance of Apr. 13, 1911, No. 662.

¹⁸ Ibid., 1908, ch. 202; Ordinance of Apr. 13, 1911, No. 661.

¹⁹ Report of Sewerage Commission, 1906, p. 5.

²⁰ Laws of Md., 1910, ch. 110; Ordinance of June 13, 1910, No. 555.

²¹ The Charter, sec. 826.

the waterfront property by the city. An extensive program was introduced in 1910 to acquire vast tracts of unimproved waterfront and to develop them as the needs of commerce and industry demanded. But the proposal was vetoed by the General Assembly, and instead a loan of five million dollars was authorized for harbor improvements.²² Two million dollars of this loan was submitted and approved in 1910,²³ and one million five hundred thousand dollars in 1914.²⁴ The loans were expended for the general improvement of the harbor, including the deepening of the main channel and construction of highways around the waterfront. They were exhausted completely by 1915.

Park loans.—A stock issue of one million dollars, the interest and sinking fund charges upon which were taken from the park revenues derived from the franchise tax upon street railways, was authorized by the legislature in 1904 and ratified by the electorate in 1905. This loan was to be expended for the acquisition of additional park acreage in fulfilment of the Olmsted plan. The ratifying ordinance provided that this loan should be expended equally between the four sections of the city—the northwest, the southwest, the northeast, and the southeast.²⁵ Another loan of three million dollars to acquire more park property, to establish a civic centre, and to provide for parked boulevards was authorized in 1908, but it was not submitted until 1917 when it was voted down by the people.²⁶ The loan of one million dollars of 1904 was issued in entirety by 1915.

Fire engine house loans.—The general assembly of 1906 authorized the issue of one million dollars of the city stock to construct additional fire engine houses and to improve

²² *Ibid.*, 1910, ch. 485.

²³ Ordinance of June 13, 1910, No. 557.

²⁴ Ordinance of Oct. 3, 1914, No. 518.

²⁵ Laws of Md. 1904, ch. 338; Ordinance of March 20, 1905, No. 228.

²⁶ The Charter, sec. 826; also above, p. 42.

the fire service. This loan was approved in 1907²⁷ and was depleted upon such objects of expenditure as a high pressure pipe line system, additional engine houses, and the extension of the fire alarm system.

General fund bonds.—The flooding of the sinking funds, which had been the concern of municipal administrations since 1902, was relieved by the authority to issue three million dollars of general fund bonds in 1910.²⁸ These bonds were substituted for the surplus sums in the various sinking funds, and the proceeds were used for current purposes. These bonds to the amount of \$1,500,000 were placed in the sinking funds between 1910 and 1915. The policy was to issue \$300,000 each year.

1916-1919.—The construction of extensive public improvements from loan issues in the years 1911-1915, caused the indebtedness of the city to rise rapidly, while the taxable basis and the sinking funds grew only in a normal way. This condition in 1915 resulted in the net debt exceeding seven per cent of the taxable basis, making the stock of the city an illegal investment under many of the savings bank laws.²⁹ The growth of the sinking funds and the taxable basis and the large redemptions reduced the percentage below seven per cent in 1916, but the margin was small. This did not handicap the city, however, because the conditions during the war made it unnecessary to continue issuing large amounts of municipal stock.

The program for the construction of public improvements was temporarily halted by the entrance of the United States into the World War. Labor and materials were commandeered for war purposes by the federal government, and the organization of the city services was disrupted by the enlistment of municipal officials and employees. The paving

²⁷ Laws of Md. 1906, ch. 467; Ordinance of March 22, 1907, No. 239.

²⁸ *Ibid.*, 1910, ch. 549; Ordinance of June 13, 1910, No. 564.

²⁹ Below, p. 106.

commission and the electrical commission abandoned all new work, and the activities of the other departments were reduced to a minimum. The loan funds were allowed to accumulate in the city treasury, and serial stock unissued was cancelled.³⁰

Conduit loans.—Another loan of one million dollars was authorized for the extension of the conduits in 1916,³¹ and provision was made for its issue in serial form. Four hundred and eighty thousand dollars of this was issued, and the balance of the Conduit loan of 1926 (\$275,000) was exhausted.

Water loans.—The only issue of water stock during this period was the \$200,000 remaining from the water loan of 1908. When the water loan of 1916 fell due, part of it was extended because its sinking fund, which had been neglected in years prior to 1900, was insufficient to redeem the loan in full.³²

School loans.—Another school house loan amounting to one million dollars was authorized in 1916, and provision was made for its issue in serial form.³³ The war prevented the flotation of this loan, and the series maturing in 1918 and in 1919, amounting to \$49,000, were cancelled.

Street improvement loans.— For further street improvements in the old Annex, an additional loan of two million dollars was authorized in 1916, and provision was made for its issue in serial form.³⁴ Seven hundred and seventy-nine thousand dollars of this loan was issued by the commissioners of finance as well as the remaining balances of \$240,000 and \$500,000 of the Jones Falls Improvement loan and the paving loan.³⁵ The practice of making short term loans in anticipa-

³⁰ Mayor's Message 1918, pp. 28-33.

³¹ Laws of Md. 1916, ch. 189; Ordinance of Oct. 3, 1916, No. 178.

³² Above, p. 51.

³³ Laws of Md. 1916, ch. 584; Ordinance of Oct. 3, 1916, No. 177.

³⁴ Laws of Md., 1916, ch. 585; Ordinance Oct. 3, 1916, No. 179.

³⁵ Above, p. 93.

tion of the special paving tax was adopted in 1916, but these borrowed sums are more in the nature of temporary loans.³⁶

General fund bonds.—The policy of placing \$300,000 of the general fund bonds each year in the sinking funds continued, in order to utilize the surplus sums thereof for present needs.

1920-1926.—While the city had been practicing a policy of economy and restraint, discontinuing its program of public improvements because of the war, the municipality grew rapidly in population as a result of war-time stimulation of industry and commerce. In addition, the municipality increased in area as a result of the annexation of large portions of the counties in 1918. The failure to keep municipal services abreast of the city's growth presented at the close of the war many serious problems. The department heads were instructed to make surveys of the imperative improvements in the services of the old city, and the mayor appointed the new annex advisory commission to aid him in the consideration of the problems for extending the municipal functions into the new territory. Besides, public hearings were held thruout the city affording interested parties an opportunity to be heard concerning sectional needs. With the data of these investigations in hand a comprehensive plan for the improvement of the city was adopted,³⁷ and the General Assembly in its successive sessions has authorized large loans for these purposes. The outstanding indebtedness of the city increased 56.86 per cent from 1919 to 1926.

The enlarged taxable basis, resulting from the increase in the population and rising prices, was the factor which permitted this enormous expansion of the funded debt. The enlarged taxable basis increased the possibility of debt incurrence by increasing the limit, upon the seven per cent basis to which the funded obligations of the city might rise; and, which is perhaps of even greater importance, decreased

³⁶ Below, p. 103.

³⁷ Mayor's Messages 1919-1923, pp. 4-6.

relatively the tax burden of the individual for the interest and retirement charges upon loans.³⁸

General improvement loans.—The General Assembly in 1920 authorized the issue of a composite loan of twenty-six million dollars and provided for its expenditure under a specially created agency. The mayor, having regard for minority representation, appointed the public improvement commission, which is composed of five members holding office until the program of improvements is complete or until the loan funds are exhausted. The mayor and the chief engineer are *ex officio* members of this commission, in which wide powers were vested.³⁹ The commission adhered to the policy of using the established municipal services in the execution of its plans. This policy was somewhat modified in 1923 when the erection of school build-

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POPULATION
(In thousands)

	1900	1910	1919	1926
Total population.....	508	558	723	807
Total increase.....	...	50	165	84
Average Annual Increase.....	...	5	16	12

THE TAXABLE BASIS
(In millions)

	1900	1926	1900	1919	1919	1926
Total Basis.....	\$402	\$1,792	\$402	\$1,086	\$1,086	\$1,792
Total Increase.....	...	1,390	...	684	.....	706
Average Annual Increase..	...	53	...	36	.....	100

RELATION OF THE NET DEBT TO THE TAXABLE BASIS
(In millions)

	1900	1915	1919	1926
Seven Per Cent of the Taxable Basis	\$ 28	\$ 58	\$ 75	\$ 125
Actual net debt.....	{ 25	59	56	91
	{ 6.60%	7.06%	5.80%	5.09%
Margin	{ 3	..	19	34
	{ .40%	..	1.20%	1.91%

THE BURDEN OF THE DEBT IN THE TAX LEVY

	1900	1915	1919	1926
Gross Debt in Millions of dollars.....	40	96	96	151
Levy for debt in cents.....	.44	.95	.52½	.59½
Levy per million of indebtedness.....	.011	.009	.005	.004

³⁹ Laws of Md., 1920, ch. 373; Ordinance of July 6, 1920, No. 379.

ings was taken from under the control of the inspector of buildings and placed under the bureau of construction of the public improvement commission.⁴⁰

This loan was apportioned as follows:

	New Annex	Old City	Totals
Schools	\$1,750,000	\$4,250,000	\$7,000,000 *
Sewers	3,000,000	5,000,000	8,000,000
Street Improvements....	3,500,000	3,000,000	6,500,000
Harbor Improvements...	.....	.....	2,500,000
Conduits	400,000	750,000	1,150,000
Fire Engine Houses and Police Stations.....	600,000	250,000	850,000
Totals	\$9,250,000	\$13,250,000	\$26,000,000

* One million dollars was to be expended upon the repair of school buildings without regard to location.

Conduit loans.—In addition to the \$1,150,000 apportioned from the general improvement loan and the balance of \$520,000 of the Conduit serial loan approved in 1916 which were depleted, another stock issue of \$1,500,000 was authorized in 1924.⁴¹ Seven hundred thousand dollars of these securities were sold by 1926, and in 1927 the General Assembly authorized the city to borrow another million for the extension of the system of municipal conduits.⁴² The expenditure of these later loans was not vested in the public improvement commission.

Sewer loans.—Eight million dollars was apportioned from the general improvement loan of 1920 for sewers, and in 1924 another sewer loan of ten million dollars was authorized.⁴³ Five million five hundred thousand dollars of this loan had been issued by the close of the period. Still another loan of ten million dollars, for the extension of the sanitary system was authorized by the General Assembly in 1927 and ratified by the people.⁴⁴ The public improvement commission was not vested with the expenditure of these later loans.

⁴⁰ Mayor's Messages 1927, p. 138.

⁴¹ Laws of Md., 1924, ch. 221; Ordinance of Sept. 9, 1924, No. 236.

⁴² Ibid., 1927, ch. 154; Ordinance of Apr. 13, 1927, No. 1058.

⁴³ Ibid., 1924, ch. 222; Ordinance of Sept. 9, 1924, No. 233.

⁴⁴ Ibid., 1927, ch. 333; Ordinance of April 13, 1927, No. 1055.

Water loans.—To eliminate the danger of a water famine which threatened the city thru its failure to enlarge the water supply in accordance with the original plan of 1908, a water loan of twenty-five million dollars was authorized by the legislature in 1920. Fifteen million dollars of this loan was submitted to the voters and ratified in the same year, and the other ten million dollars was approved in 1923.⁴⁵ The first of these issues has been depleted, and \$4,956,000 of the second has been marketed by the commissioners of finance. An additional water stock issue of ten million dollars was authorized by the General Assembly and approved by the electorate in 1927.⁴⁶ The expenditure of all of these loans has been under the supervision of the public improvement commission.

School loans.—In the preceding decade, little or no attention had been given to school needs. Few appropriations were made from the levy for school house construction, and the loans for this purpose were inadequate and incomparable to those for other improvements. To restore public confidence in the public school system experts were retained to study the school situation.⁴⁷ The remainder of the school serial loan of 1916 (\$951,000) and the \$7,000,000 apportioned from the general improvement loan for schools were found to be inadequate, so an additional loan of \$15,000,000 was obtained for schools in 1922.⁴⁸ Twelve million three hundred and thirty-eight thousand dollars of this loan has been issued. Further construction of school houses was provided for in 1927 with the authorization of a ten million dollar school loan.⁴⁹ The expenditure of stock issues for school houses authorized since 1920 have been under the supervision of the public improvement commission.

Street improvement loans.—The balance of \$1,221,000

⁴⁵ Ibid., 1920, ch. 374; Ordinances of July 6, 1920, No. 381 and Sept. 10, 1923, No. 11.

⁴⁶ Ibid., 1927, ch. 471; Ordinance of Apr. 13, 1927, No. 1050.

⁴⁷ Above, p. 40.

⁴⁸ Laws of Md., 1922, ch. 379; Ordinance of July 28, 1922, No. 748.

⁴⁹ Ibid., 1927, ch. 470; Ordinance of Apr. 13, 1927, No. 1054.

from the two million dollar loan of 1916 for street improvements in the old Annex and the seven million dollars apportioned from the general improvement loan for highway purposes were exhausted. Since 1920 two additional loans for the construction of smooth pavement and of necessary bridges have been authorized and approved. An enabling act for the issue of seven million dollars for such purposes, of which \$4,204,000 has been issued, was obtained in 1924;⁵⁰ and a similar loan of eight million dollars was authorized by the General Assembly in 1927.⁵¹ The public improvement commission was not vested with the control of the expenditure of these later loans.

Harbor loans.—In addition to the \$2,500,000 from the general improvement loan to be devoted to harbor improvements, the General Assembly, in the same year, authorized the city to borrow fifty million dollars to be expended for the development of the waterfront by the construction of warehouses, docks, wharves, railroad terminals and other improvements. This loan was to be expended under the direction of the port development commission. The arrangement provided, however, that no portion of this stock was to be issued until contracts had been made which would yield sufficient revenue to defray the interest and retirement charges upon the stock issued. Ten million dollars of this loan, bearing interest at five per cent and issued serially to mature between 1922 and 1961, was submitted and approved by the electorate.⁵² Three hundred and fifty-six thousand dollars of this loan has been cancelled; no contracts have been made under this plan until recently.⁵³ The city council, exercising the authority conferred upon it in 1920, reduced the interest rate on these issues,⁵⁴ and the legality of this action will soon be tested in the courts.

⁵⁰ Ibid., 1924, ch. 220; Ordinance of Sept. 9, 1924, No. 234.

⁵¹ Ibid., 1927, ch. 332; Ordinance of Apr. 13, 1927, No. 1052.

⁵² Ibid., 1920, ch. 560; Ordinance of July 6, 1920, No. 380.

⁵³ Mayor's Message 1927, pp. 146-148.

⁵⁴ Above, p. 52.

General fund bonds.—The final balance of \$300,000 of the general fund bonds of 1955 was issued in 1920. The Baltimore Tax Commission urged additional issues of such bonds to relieve the surplus of the sinking funds, but no action has been taken.⁵⁵

Hospital loans.—An enabling act authorizing the city to borrow \$750,000 for the erection of a modern hospital for the care of infectious and communicable diseases was passed by the legislature in 1914. This loan was not submitted to the electorate until 1920, when it was approved.⁵⁶ It has since been expended upon the construction of the new Sydenham Hospital. Further provisions for the municipal hospitals were made in 1927 when a four million dollar composite loan, the larger portion of which was apportioned for hospital improvements, was authorized.⁵⁷

Police station loans.—The General Assembly in its session of 1910 passed an enabling act authorizing the issue of one million dollars for police stations, but this was not submitted until 1923 when it was ratified.⁵⁸ This loan has been issued to its full amount.

Municipal building loans.—No municipal buildings were constructed until toward the end of the period. In 1924 a loan of two million dollars for the construction of an office building to house the city employees and the governmental activities,⁵⁹ and a loan of one million for the erection of a municipal art museum, were authorized and approved.⁶⁰ The General Assembly in 1927 authorized an issue of three million dollars for the construction of a new central building for

⁵⁵ Report of the Baltimore Tax Commission 1923, p. 31.

⁵⁶ Laws of Md., 1914, ch. 722; Ordinance of July 7, 1920, No. 382.

⁵⁷ Ibid., 1927, ch. 312; Ordinance of Apr. 13, 1927, No. 1051. The remaining portions of this loan are to be devoted to the erection of additional police stations and fire engine houses.

⁵⁸ Ibid., 1910, ch. 570; Ordinance of Sept. 10, 1923, No. 12.

⁵⁹ Ibid., 1924, ch. 515; Ordinance of Sept. 9, 1924, No. 235.

⁶⁰ Ibid., 1924, ch. 230; Ordinance of Sept. 26, 1924, No. 242.

the Enoch Pratt Free Library.⁶¹ Altho the library loan has been approved it has not been issued, but \$594,000 of the office building serial and \$505,000 of the art museum serial have been marketed.

TEMPORARY LOANS

The periodic accumulation of floating indebtedness, which was funded into formal loans, was a characteristic feature of the financial administration of the city before the enactment of the new charter of 1898.⁶² This new instrument of government, however, expressly forbids the creation of floating debt, providing that such temporary loans may be made only in anticipation of tax collections. In the case of a deficiency in the budget from the failure to collect sufficient revenues, there is to be a pro rata abatement of all appropriations, except those required by law, such as the interest and principal upon the public debt.⁶³ Prior to 1900 large sums were expended annually for the interest charges upon temporary loans, but since that date interest upon daily balances has been a significant, altho negligible, item among the municipal revenues.

Temporary loans have been used from time to time in the anticipation of tax receipts and have also been resorted to in periods in which the market was unfavorable for the sale of securities. The ordinary revenues of the city in these periods have been used for purposes for which loans have been authorized, and temporary loans have been made to meet current expenditures. This manipulation of the municipal funds is undoubtedly illegal, but in practice such manipulation has been executed judiciously and to the advantage of the city and upon its face is a sound business policy.⁶⁴

In anticipation of the revenues from the special paving tax short term paving notes were issued after 1916. The

⁶¹ *Ibid.*, 1927, ch. 230; Ordinance of April 13, 1927, No. 1053.

⁶² Hollander, 326-333.

⁶³ The Charter, sec. 36.

⁶⁴ Below, p. 107.

authority⁶⁵ for these notes limited the issues in any one year to one million dollars, and the total of the notes to ninety per cent of the estimated receipts from the special paving tax. All of these notes were purchased by the commissioners of finance for the sinking funds, and the special paving tax was set aside for their redemption.

DEBT ADMINISTRATION AND LIMITATION

The debt of the city has been administered thruout the period under consideration by the commissioners of finance, who have negotiated all municipal loans and who have managed the sinking funds for debt extinction as well.

No legal limitations have been placed upon the general borrowing power of the city. However, in accordance with the state constitution, in which such provisions were inserted in 1867, before the municipality may use its credit except for temporary loans and in emergency cases, it is necessary to obtain an enabling act from the General Assembly, and also to obtain the approval of the local electorate.⁶⁶ As in the past, no difficulty has been experienced in obtaining enabling acts from the general assembly which has viewed loan issues as matters of purely local interest. The water loan introduced in 1906 and the harbor loan in 1910 were the only refusals to the city, and these were vetoed for other reasons than local opposition or concern.⁶⁷

Neither has difficulty been experienced in obtaining the ratifying vote of the electorate, the larger percentage of whom are not taxpayers. In fact, there has been a general predisposition to ratify funded loans. Only two issues⁶⁸ were voted down in this period, and in each case political reasons were the chief motives rather than the burden of a rapidly growing debt. Previous to the vote in 1912 upon the bridge loan, which was to have been expended upon the erection of a new

⁶⁵ Laws of Md., 1916, ch. 25; Ordinance of Oct. 3, 1916, No. 180.

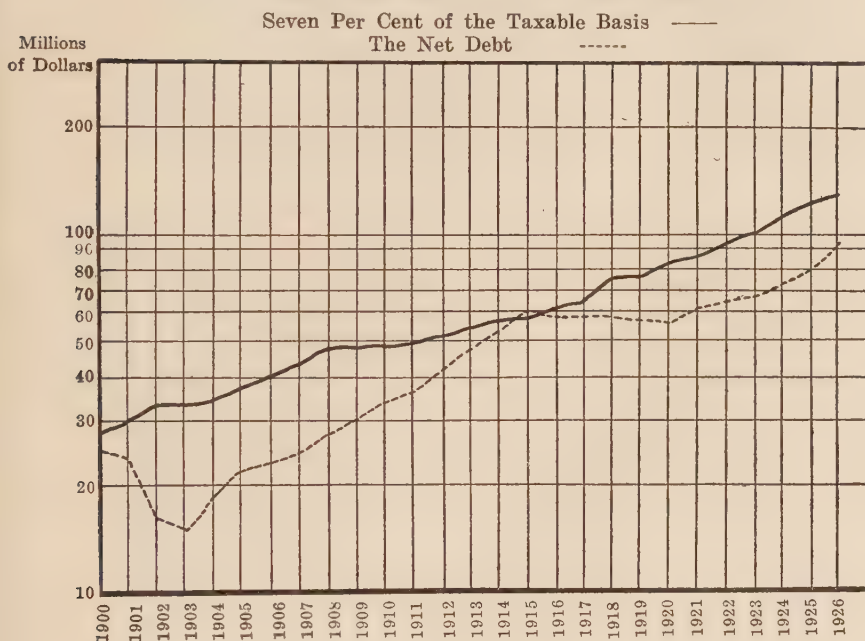
⁶⁶ The Constitution of Maryland, Art. XI, sec. 7.

⁶⁷ Above, pp. 44, 47.

⁶⁸ Above, pp. 34, 42.

Light Street Bridge, rumors were circulated that politicians had already secured options upon the property necessary for this improvement and would make a "killing." Added to this was the conviction that such lines of communication between the city and the country should be established by the state. The other loan to be voted down was the park and civic centre loan, which was submitted in 1917. The electorate, altho in

RATIO CHART SHOWING THE RELATION OF THE NET DEBT TO
SEVEN PER CENT OF THE TAXABLE BASIS



favor of park extension, vetoed this issue because it feared that the larger portion of the loan would be expended upon a civic centre in the construction of monuments to the city administration.

Altho there have been no legal limitations upon the general

borrowing power of the city, and enabling acts and ratifying votes have been comparatively easy to obtain, in practice there has been a definite limit beyond which the municipality cannot advantageously increase its funded indebtedness. The savings bank laws of several states make investment in municipal securities illegal when the net debt (that is, the gross debt less the sinking funds) exceeds a certain percentage of the assessable or taxable basis. The seven per cent limit of Massachusetts, New York, and Connecticut is widely and generally accepted, and the failure to comply with this restriction narrows the market for the sale of bonds and causes them to bring much lower prices. The municipal administrations, with the exception of one period of short duration, have adhered to this policy of restricting the net debt to seven per cent of the taxable basis as a matter of practical expediency.⁶⁹

MUNICIPAL CREDIT

The credit of the municipality during the early years of this period was excellent, because financial institutions offered large premiums for city stock bearing three and a half or four per cent interest and running from twenty to fifty years. The reason for this was that the city paid the state tax upon such securities, and the value of the city stock held was deducted from the capital stock of the corporations in determining their taxable basis for state and municipal taxes.⁷⁰ This exemption was grossly violated by passing around credits; it was disclosed that several corporations used one block of stock in the same tax year for exemption purposes.⁷¹ Such illegal avoidance of taxation was prevented in 1902 by a legislative act requiring all returns of corporations to be filed upon the same date.⁷² The policy of exempting corporations from taxation to the amount of city stock held was radically altered in 1908 by legislation, commonly spoken of as the Gans Act,

⁶⁹ Report of the City Register, 1915, pp. 5-10.

⁷⁰ Hollander, 347-349.

⁷¹ Report of the Appeal Tax Court, 1902.

⁷² Laws of Md., 1902, ch. 417.

which prohibited exemption features for future municipal issues and allowed deductions for the stock of only a few specified loans.⁷³

Thruout the remaining years, the prices obtained for municipal stock were regulated by the status of the securities market. The market in 1907 fell, incident to the financial crisis of that year which was particularly unfortunate for the city, which was in need of large sums to complete the reconstruction projects in the burnt district and to continue with the general program of improvements. To avoid heavy losses, the Commissioners of Finance delayed the sale of securities, resorting to temporary loans.⁷⁴ With the recovery of the market, bonds were again sold freely, but the prices obtained were lower than those of the early years, ranging from ninety to par and occasionally one or two points over par. During the war, there were no issues of great consequence, and these were purchased at par for the sinking funds.

The condition of the money market after the war was not particularly favorable for the floating of the enormous loans authorized in 1920. Five per cent bonds, the income of which was exempt from the federal income tax, were sold at two or three points below par. However, as conditions became more normal, five per cent bonds sold at a fair premium and four per cent bonds likewise, altho upon three occasions at a slight discount. This more favorable price was undoubtedly due in part to the issue of coupon bonds, which policy was inaugurated in 1926.⁷⁵ Another innovation in the sale of securities was inaugurated in 1908 and has since been adhered to when the bids of the purchasing syndicates are low; that is, city stock is offered for sale over the counter to the general public at attractive prices.

⁷³ Laws of Md., 1908, ch. 124.

⁷⁴ Report of the City Register, 1907, p. 7. Rapid construction of improvements caused an overdraft in 1914 and a public sale being deemed inadvisable at the time temporary loans were again resorted to. (Report of the City Register, 1914, p. 69.)

⁷⁵ Ibid., 1913, p. 9.

SUMMARY OF MUNICIPAL EXPENDITURES AND REVENUES

Year	The General Property Tax Totals	Other sources of Current Income Totals	Total Income Grand Totals	Total Expenditures Grand Totals	Expenditures From Income Totals	Expenditures From Loans Totals
1900	5,798,881	2,308,362	8,107,243	8,836,569	7,919,432	917,137
1901	5,894,740	2,415,585	8,310,325	8,493,425	8,215,985	277,440
1902	6,386,229	2,475,774	8,862,003	9,093,559	8,819,815	273,744
1903	6,315,131	2,411,092	8,726,223	9,054,563	8,889,679	164,884
1904	6,762,992	5,230,301	11,993,293	11,292,353	10,766,784	525,569
1905	6,949,149	3,622,599	10,571,748	13,733,416	10,561,435	3,171,981
1906	6,934,335	5,824,930	12,459,265	12,970,288	10,992,583	1,977,705
1907	7,280,575	3,324,782	10,605,357	14,630,966	11,093,447	3,537,519
1908	7,589,184	4,791,749	12,380,933	16,227,945	12,718,557	3,509,388
1909	8,317,213	4,204,854	12,522,067	16,835,899	12,856,941	3,978,958
1910	8,567,289	4,207,917	12,775,206	16,114,668	12,738,568	3,376,100
1911	8,771,767	4,511,680	13,283,447	16,021,214	13,175,271	2,845,943
1912	8,603,835	4,894,100	13,497,935	18,969,827	13,422,589	5,547,238
1913	9,505,742	5,261,865	14,767,607	23,372,478	14,803,745	8,568,733
1914	9,656,745	5,473,444	15,130,189	24,907,227	15,874,940	9,032,287
1915	9,846,835	5,833,849	15,680,684	23,528,628	16,473,824	7,054,804
1916	11,413,420	6,189,642	17,603,062	19,390,939	15,864,031	3,526,908
1917	11,198,334	6,620,522	17,818,856	19,794,199	17,249,529	2,544,670
1918	12,031,371	6,513,681	18,545,052	18,561,472	17,097,610	1,463,862
1919	13,561,879	6,867,968	20,429,847	22,770,873	20,413,701	2,357,172
1920	18,271,168	6,567,789	24,838,957	27,411,489	25,541,780	1,869,709
1921	20,593,345	7,487,193	28,080,538	38,291,713	29,974,016	8,317,697
1922	22,036,894	6,795,666	28,832,560	41,077,725	31,103,485	9,974,240
1923	24,880,978	7,810,882	32,691,860	47,736,760	32,847,732	14,889,028
1924	29,302,239	9,698,547	39,000,786	43,636,461	33,793,173	9,843,288
1925	27,298,508	9,296,809	36,595,317	50,104,270	36,954,133	13,150,137
1926	28,079,690	9,757,965	37,837,655	52,528,806	39,383,845	13,144,961

MUNICIPAL REVENUES

Year	THE GENERAL PROPERTY TAX					Interest on taxes	G. P. T. Totals	Liquor Licenses Totals	General Licenses Totals
	Real	Personal	Securities	Arrearages	Tax Penalties				
1900	4,367,734	.....	195,288	1,163,397	22,269	50,193	5,798,881	396,529	51,291
1901	3,679,326	.....	237,746	718,665	40,101	61,241	5,894,740	408,797	71,333
1902	4,021,087	1,215,350	264,648	779,591	42,447	63,106	6,386,229	438,645	70,890
1903	3,748,310	1,208,958	249,724	989,055	42,582	76,502	6,315,131	445,594	72,767
1904	4,199,476	1,233,267	279,798	920,185	48,573	81,693	6,762,992	431,524	81,451
1905	4,282,940	1,212,866	345,094	974,846	49,393	84,010	6,949,149	442,690	86,145
1906	4,446,565	1,162,898	381,825	834,145	41,848	67,054	6,934,335	453,518	90,484
1907	4,778,115	1,173,088	427,543	803,209	39,018	59,802	7,280,575	449,586	106,171
1908	4,859,376	1,299,398	425,755	889,152	43,841	71,662	7,589,184	459,797	111,759
1909	5,111,479	1,328,601	450,178	1,292,347	45,672	88,936	8,317,213	449,586	103,958
1910	5,421,280	1,424,990	475,524	1,102,311	48,111	95,073	8,567,289	1,144,820	103,184
1911	5,598,142	1,472,594	493,450	1,058,996	49,996	98,589	8,771,707	1,125,832	100,083
1912	5,556,263	1,353,629	553,604	992,626	48,734	98,979	8,603,835	1,113,932	99,521
1913	6,044,520	1,628,222	552,523	1,138,375	53,849	88,253	9,505,742	996,516	102,725
1914	6,150,604	1,590,856	576,496	1,214,467	43,135	81,187	9,656,745	964,763	110,259
1915	6,246,426	1,516,731	617,350	1,323,451	28,741	114,136	9,846,835	924,829	108,787
1916	7,060,360	1,803,217	618,213	1,778,795	25,425	127,410	11,413,420	1,019,150	103,281
1917	6,886,049	1,915,787	642,812	1,581,646	28,281	143,759	11,198,334	993,011	106,612
1918	7,498,353	1,927,733	696,653	1,731,748	28,842	148,042	12,031,371	889,813	99,136
1919	8,683,557	2,437,602	758,718	1,523,938	26,082	131,982	13,561,879	507,889	110,726
1920	12,819,705	3,066,857	783,573	1,543,060	28,548	29,425	18,271,168	41,707	128,475
1921	14,360,744	3,025,787	769,686	2,310,273	39,078	87,777	20,593,345	5,135	136,649
1922	15,383,350	2,976,634	773,943	2,624,820	44,285	233,862	22,036,894	1,141	136,187
1923	17,257,661	3,332,361	797,659	3,136,694	56,475	300,128	24,880,978	433	134,877
1924	19,599,284	3,712,901	811,550	4,612,987	182,605	382,912	29,302,239	.....	170,223
1925	19,701,936	3,588,911	898,848	2,622,521	.....	486,292	27,298,508	.....	134,770
1926	20,837,157	3,781,692	947,004	2,188,286	.....	325,551	28,079,690	.....	126,994

MUNICIPAL REVENUES

Year	Public Franchises and Minor Privileges Totals	Franchise Tax on Business Corporations Totals	General Fund Bonds Totals	Miscellaneous		General Gov't. I Grand Totals	Inspection Service Totals	Miscellaneous II		Protection to Persons and Property Grand Totals
				General Gov't. Totals	General Gov't. Totals			Totals	Totals	
1900	24,854	.....	.....	50,430	6,321,985	14,740	1,427	14,740	16,167	
1901	52,789	.....	.....	34,223	6,401,882	11,442	1,061	11,442	12,503	
1902	37,449	.....	.....	129,495	7,062,708	11,695	1,487	11,695	13,182	
1903	29,185	.....	.....	58,260	6,920,937	11,436	2,322	11,436	13,758	
1904	42,012	.....	.....	63,974	7,381,953	13,262	2,855	13,262	16,117	
1905	63,122	.....	.....	86,272	7,627,378	14,725	2,098	14,725	16,823	
1906	116,751	.....	.....	139,592	7,754,680	16,572	3,090	16,572	19,662	
1907	52,661	.....	.....	117,236	8,006,229	16,759	2,462	16,759	19,221	
1908	38,804	.....	.....	157,324	8,649,929	13,968	2,716	13,968	16,684	
1909	41,578	.....	.....	97,365	9,519,911	17,065	1,974	17,065	19,039	
1910	42,029	.....	.....	79,484	9,936,806	685	3,171	685	3,856	
1911	24,550	.....	300,000	108,426	10,430,658	2,529	2,997	2,529	5,526	
1912	25,193	.....	300,000	99,197	10,241,678	2,072	1,477	2,072	3,549	
1913	35,369	.....	300,000	113,575	11,053,927	1,130	2,830	1,130	3,960	
1914	29,800	.....	300,000	134,861	11,196,428	1,546	3,309	1,546	4,855	
1915	22,944	20,125	300,000	214,087	11,437,607	2,430	5,034	2,430	7,464	
1916	73,631	30,711	300,000	175,559	13,115,752	1,021	7,597	1,021	6,618	
1917	95,003	36,859	300,000	201,488	12,931,307	14,209	5,510	14,209	10,719	
1918	82,133	38,031	300,000	198,277	13,638,761	19,295	5,468	19,295	24,763	
1919	107,390	40,758	300,000	179,387	14,808,029	69,186	15,075	69,186	84,261	
1920	114,818	37,853	300,000	190,824	19,084,845	78,316	6,301	78,316	84,617	
1921	139,614	33,470	.....	397,693	21,305,906	80,084	4,843	80,084	84,927	
1922	114,823	68,095	.....	274,170	22,631,310	126,545	4,352	126,545	130,897	
1923	138,237	50,300	.....	291,293	25,496,118	130,881	2,888	130,881	133,769	
1924	169,354	75,206	.....	298,968	30,015,990	138,218	97	138,218	138,315	
1925	164,779	87,295	.....	331,555	28,016,907	139,341	2,403	139,341	141,744	
1926	165,092	128,967		420,857	28,921,600	118,572	4,710	118,572	123,282	

MUNICIPAL REVENUES

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MUNICIPAL REVENUES

Year	Health III Grand Totals	Sanitation and Cleanli- ness IV Grand Totals	Motor Vehicle Licenses and Fines Totals	Paving Assessments and Special Paving Tax Totals	Street Reconstruction Totals	Private Totals	Totals	Highways V Grand Totals	Charities and Corrections VI Grand Totals
1900	18,585	3,656	.....	4,952	26,589	10,595	8,220	50,356	24,124
1901	19,719	4,023	.....	59,006	20,240	15,091	10,489	104,826	27,915
1902	15,858	6,457	.....	32,555	21,442	13,443	6,335	73,775	25,828
1903	15,373	7,041	.....	8,886	10,915	32,513	4,424	56,738	24,360
1904	13,489	10,815	.....	15,592	188	28,971	11,189	55,940	29,802
1905	16,268	10,291	.....	26,566	57,187	30,210	12,311	126,274	36,256
1906	18,912	12,627	.....	55,166	399,468	77,275	6,470	538,379	40,539
1907	17,983	12,571	.....	30,970	171,501	102,481	7,037	311,989	34,399
1908	16,009	117,462	.....	4,001	296,956	142,039	8,580	243,492	38,170
1909	17,000	15,169	.....	17,019	296,956	167,789	2,807	484,631	44,145
1910	17,475	17,289	.....	7,486	118,128	107,957	3,761	237,332	41,962
1911	17,891	19,972	.....	5,668	100,794	88,727	5,590	212,020	35,363
1912	20,266	22,877	.....	.....	59,830	136,547	5,338	214,256	25,378
1913	26,701	43,324	28,986	94,190	140,531	254,240	9,589	527,536	32,793
1914	24,566	100,955	38,130	166,233	153,138	250,553	8,638	616,692	36,234
1915	47,166	134,139	59,171	252,629	135,345	291,011	6,235	744,391	29,601
1916	46,807	193,539	85,857	315,131	77,967	313,420	10,207	802,582	28,751
1917	73,842	204,503	159,151	332,775	92,872	319,920	3,197	907,915	59,562
1918	16,300	198,260	236,181	310,281	91,593	322,897	1,960	902,912	79,198
1919	13,365	177,746	275,513	290,224	113,522	331,784	461	1,011,504	54,927
1920	16,442	138,672	368,750	288,414	16,267	323,065	306	996,802	55,196
1921	186,503	90,524	500,000	299,712	214,076	445,333	11,140	1,470,261	56,698
1922	23,247	58,499	582,245	305,849	65,192	197,162	2,619	1,153,067	51,594
1923	32,163	56,259	665,498	262,672	93,329	371,573	19,749	1,412,821	75,372
1924	45,888	77,092	650,296	324,796	154,216	775,189	18,203	1,922,700	91,173
1925	52,710	83,961	926,023	263,695	77,397	393,627	18,470	1,679,212	94,474
1926	58,463	72,600	993,894	337,947	122,210	357,987	16,877	1,828,915	114,386

MUNICIPAL REVENUES

Year	Public School		Interstate		Tuition		Miscellaneous		Education		Park		Miscellaneous		Recreation	
	Fund	Estates	-	Totals	Fees	Totals	Totals	Totals	Grand Totals	Grand Totals	Tax	Totals	VIII	Totals	Grand Totals	VIII
1900	322,278	822			3,176		42		326,318		295,332		2,759		298,091	
1901	303,334	134			2,589		.....		306,057		304,158		3,188		307,346	
1902	334,663	.....			3,798		.....		338,461		324,397		3,578		327,975	
1903	334,542	.....			4,801		.....		340,343		347,625		4,238		351,863	
1904	371,657	.....			5,893		.....		377,550		337,213		6,136		343,349	
1905	524,084	.....			7,829		7,320		539,233		369,615		6,603		376,218	
1906	489,167	4,365			7,730		8,272		509,534		402,231		7,420		409,651	
1907	508,364	12,752			9,970		267		531,353		430,094		6,727		436,821	
1908	531,786	.....			12,449		80		544,315		428,555		15,173		443,728	
1909	533,695	2,546			15,240		.....		551,481		473,630		8,957		482,587	
1910	510,591	5,593			15,709		2,412		534,305		556,597		563,446		523,535	
1911	522,712	9,326			18,154		.....		550,192		514,697		8,838		523,535	
1912	551,333	937			17,309		.....		569,579		545,896		7,003		552,899	
1913	582,532	66			17,247		.....		599,845		580,846		11,536		592,382	
1914	585,160	1,591			16,617		.....		603,368		603,478		9,212		612,690	
1915	553,277	1,433			19,441		.....		574,151		582,468		10,502		592,970	
1916	624,655	.....			21,754		.....		646,409		625,431		29,367		654,798	
1917	534,859	3,938			23,330		.....		562,127		670,769		12,996		683,765	
1918	523,764	.....			22,677		5,565		552,006		736,338		29,648		765,986	
1919	660,451	1,038			11,343		5,500		678,332		968,665		41,651		1,010,316	
1920	772,537	.....			13,418		300		786,255		1,190,268		40,780		1,231,048	
1921	1,032,186	.....			11,679		500		1,044,365		1,169,013		56,631		1,225,644	
1922	1,022,052	.....			14,521		.....		1,036,573		1,129,422		43,376		1,172,798	
1923	1,051,992	.....			17,834		13,256		1,083,082		1,148,696		75,155		1,223,851	
1924	1,032,510	.....			17,829		14,550		1,064,889		1,137,343		225,594		1,362,937	
1925	1,037,366	.....			18,481		20,214		1,076,061		1,133,582		99,622		1,233,104	
1926	1,050,598	.....			.....		40,010		1,090,608		1,131,499		33,591		1,165,090	

MUNICIPAL REVENUES

Year	Water Rentals Totals	Conduits Rentals Totals	Public Docks and Wharves Totals	Municipal Ferry Totals	Market Rentals Totals	Turnpike Dividends Totals	Public Service Enterprises IX Grand Totals
1900	948,980	10,468	28,635	.....	59,762	116	1,047,961
1901	963,968	6,527	36,063	.....	59,395	101	1,066,054
1902	867,276	30,327	36,930	.....	63,106	120	997,759
1903	865,735	34,076	34,867	.....	61,018	114	995,810
1904	828,765	61,729	34,095	.....	59,840	98	984,527
1905	902,414	47,410	33,299	.....	60,286	98	1,043,507
1906	913,124	103,338	36,631	.....	60,082	106	1,113,281
1907	1,020,261	106,009	32,546	.....	75,853	122	1,234,791
1908	1,027,115	114,525	30,120	.....	75,089	125	1,246,974
1909	1,053,442	119,975	138,519	.....	75,531	187	1,387,654
1910	1,061,561	126,724	159,549	.....	74,688	213	1,422,735
1911	1,100,173	145,322	169,448	.....	73,145	202	1,488,290
1912	1,448,267	157,982	166,869	.....	74,299	36	1,847,453
1913	1,493,003	162,101	171,908	.....	60,011	116	1,887,139
1914	1,502,144	181,412	178,591	.....	72,121	133	1,934,401
1915	1,546,076	224,233	197,095	893	144,682	216	2,113,195
1916	1,534,147	244,639	212,902	1,649	112,414	55	2,105,806
1917	1,743,728	261,044	260,813	8,716	101,815	.....	2,376,116
1918	1,711,878	205,565	272,046	6,488	110,889	.....	2,306,866
1919	1,821,864	340,452	299,504	13,996	115,851	.....	2,591,667
1920	1,835,292	286,495	191,209	8,581	123,503	.....	2,445,080
1921	1,856,684	292,452	313,612	24,208	128,754	.....	2,615,710
1922	1,844,635	303,923	273,680	22,550	129,787	.....	2,574,575
1923	2,384,785	333,244	303,123	21,063	136,210	.....	3,178,425
1924	3,314,990	420,880	302,289	29,833	213,810	.....	4,281,802
1925	3,211,215	448,998	310,322	26,100	220,509		4,217,144
1926	3,482,110	459,326	277,302	28,329	215,644		4,462,711

MUNICIPAL REVENUES

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MUNICIPAL EXPENDITURES

Year	Public Buildings										General Govt.		
	Legislative				Judiciary				Elections			Miscellaneous	
	Totals	Executive	Totals	Judiciary	Totals	From Income	From Loans	Totals	Totals	Totals		Grand Totals	
1900	56,942	238,777	197,696	82,373	187,992	542,136	730,128	110,327	1,416,243				
1901	54,313	288,850	179,355	110,129	237,182	4,089	241,271	62,310	936,228				
1902	55,206	244,330	177,740	88,196	224,290	.....	224,290	396,844	1,186,606				
1903	58,825	235,854	183,860	167,400	94,349	.....	94,349	69,410	809,698				
1904	70,727	277,424	186,124	90,695	134,371	996	135,367	190,401	950,738				
1905	59,217	311,394	209,252	127,879	128,483	.....	128,483	86,759	922,984				
1906	58,869	332,353	193,302	104,757	208,501	.....	208,501	76,355	974,137				
1907	57,952	336,380	213,349	208,341	173,942	.....	173,942	66,958	1,056,922				
1908	59,062	508,950	218,611	144,534	149,101	.....	149,101	69,567	1,149,825				
1909	65,135	402,454	216,624	126,355	140,037	.....	140,037	184,230	1,134,839				
1910	59,048	435,892	215,916	140,839	139,971	.....	139,971	79,044	1,070,710				
1911	59,001	428,032	227,137	202,315	135,958	.....	135,958	85,200	1,137,643				
1912	63,416	430,306	256,808	169,417	171,486	.....	171,486	76,197	1,167,630				
1913	63,416	479,576	281,196	135,940	129,733	.....	129,733	80,488	1,170,349				
1914	58,963	451,257	303,374	132,903	118,710	.....	118,710	149,547	1,214,754				
1915	60,730	493,185	300,005	197,429	209,830	.....	209,830	97,632	1,358,811				
1916	57,123	465,117	289,264	138,587	119,111	.....	119,111	119,019	1,188,221				
1917	54,055	482,707	281,428	126,900	170,669	.....	170,669	297,764	1,413,523				
1918	51,099	510,143	269,365	138,496	521,453	.....	521,453	249,122	1,739,678				
1919	59,531	594,192	302,598	272,845	120,687	.....	120,687	151,027	1,500,880				
1920	65,034	629,984	323,318	307,929	160,971	.....	160,971	568,983	2,056,219				
1921	71,612	914,246	398,507	357,670	297,125	.....	297,125	482,404	2,521,564				
1922	66,643	749,758	388,718	339,072	497,594	.....	497,594	500,015	2,541,800				
1923	59,235	731,453	462,207	491,703	430,619	.....	430,619	604,121	2,779,338				
1924	47,247	718,567	495,222	279,682	432,173	.....	432,173	725,823	2,698,714				
1925	47,282	923,308	473,393	63,072	360,380	396,711	757,091	943,215	3,207,361				
1926	47,354	1,494,573	454,672	366,813	201,340	51,627	252,967	486,136	3,102,515				

MUNICIPAL EXPENDITURES

Year	Fire Protection			Police Protection			Inspection Service Totals	Protection to Persons and Property II Grand Totals
	From Income	From Loans		From Income	From Loans			
		Totals	Totals		Totals	Totals		
1900	457,753	.....	457,753	897,450	.....	897,450	20,853	1,376,056
1901	491,553	.....	491,553	967,797	.....	967,797	26,118	1,485,468
1902	552,281	.....	552,281	1,006,202	.....	1,006,202	28,745	1,557,228
1903	596,545	.....	596,545	1,010,738	.....	1,010,738	32,060	1,639,343
1904	618,506	.....	618,506	1,066,901	.....	1,066,901	90,857	1,776,264
1905	703,149	.....	703,149	1,057,121	.....	1,057,121	51,105	1,811,375
1906	836,669	.....	836,669	1,061,865	.....	1,061,865	100,610	1,999,144
1907	911,619	.....	911,619	1,224,868	.....	1,224,868	66,675	2,203,162
1908	917,531	24,839	942,370	1,239,925	.....	1,239,925	63,311	2,245,606
1909	953,273	309,081	1,262,354	1,268,928	.....	1,268,928	80,052	2,611,334
1910	1,028,231	477,697	1,505,928	1,253,239	.....	1,253,239	72,681	2,831,848
1911	1,137,052	79,007	1,216,059	1,268,050	.....	1,268,050	69,014	2,553,123
1912	1,072,912	63,792	1,136,704	1,265,336	.....	1,265,336	85,466	2,487,506
1913	1,103,748	.....	1,103,748	1,268,523	.....	1,268,523	85,174	2,457,445
1914	1,074,230	.....	1,074,230	1,272,781	.....	1,272,781	83,385	2,430,396
1915	1,029,318	.....	1,029,318	1,346,362	.....	1,346,362	72,738	2,448,418
1916	1,000,085	.....	1,000,085	1,306,721	.....	1,306,721	69,033	2,375,839
1917	1,041,371	.....	1,041,371	1,314,998	.....	1,314,998	69,128	2,425,497
1918	1,019,970	.....	1,019,970	1,250,095	.....	1,250,095	69,125	2,339,190
1919	1,285,400	.....	1,285,400	1,683,601	.....	1,683,601	80,431	3,049,432
1920	1,743,240	72,857	1,816,097	2,130,309	.....	2,130,309	106,925	4,053,331
1921	2,273,278	173,982	2,447,260	2,305,662	.....	2,305,662	191,905	4,944,827
1922	2,116,479	343,204	2,459,683	2,443,202	.....	2,443,202	148,329	5,051,214
1923	2,236,570	356,166	2,601,736	2,754,715	.....	2,754,715	156,992	5,513,443
1924	2,262,063	47,888	2,309,951	2,997,072	24,307	3,021,379	137,650	5,468,980
1925	2,627,677	19,372	2,647,049	3,425,443	354,890	3,780,333	293,673	6,721,055
1926	2,640,186	10,590	2,650,776	3,712,564	566,007	4,278,571	148,454	7,077,801

MUNICIPAL EXPENDITURES

Year	The Conservation of Health III			Sewers and Sewage Disposal			Collection and disposal of Refuse Totals	Public Baths and Laundries Totals	Sanitation and Cleanliness IV Totals
	From Income	From Loans	Grand Totals	From Income	From Loans	Totals			
1900	79,642	.....	79,642	42,844	5,194	48,038	382,773	.....	430,811
1901	94,717	.....	94,717	38,172	8,011	46,183	373,981	8,064	428,228
1902	117,297	.....	117,297	109,870	4,084	113,954	359,875	13,242	487,071
1903	110,840	.....	110,840	48,835	.....	48,835	371,324	16,770	436,929
1904	116,619	.....	116,619	97,455	.....	97,455	471,597	17,189	586,241
1905	113,951	.....	113,951	121,549	.....	121,549	469,335	21,580	612,464
1906	141,601	.....	141,601	137,976	143,972	281,948	480,097	29,296	791,341
1907	132,315	.....	132,315	91,736	1,317,270	1,409,006	522,799	49,373	1,981,178
1908	144,504	.....	144,504	64,853	2,155,702	2,220,555	737,808	56,226	3,014,589
1909	168,483	.....	168,483	73,304	2,154,308	2,227,612	687,930	53,767	2,969,309
1910	195,877	.....	195,877	115,078	1,530,981	1,646,059	717,143	60,148	2,423,350
1911	201,642	.....	201,642	86,744	1,421,848	1,508,592	772,128	74,577	2,355,297
1912	214,556	.....	214,556	95,699	2,427,695	2,523,394	775,484	103,139	3,402,017
1913	246,133	.....	246,133	304,274	4,063,723	4,367,997	752,701	85,057	5,205,755
1914	314,773	.....	314,773	252,403	3,292,084	3,544,487	762,070	87,765	4,394,322
1915	249,579	.....	249,579	118,348	2,682,795	2,801,143	835,890	87,455	3,724,488
1916	283,784	.....	283,784	253,641	692,049	945,690	777,201	83,143	1,806,034
1917	298,277	.....	298,277	345,607	36,084	381,691	818,161	97,445	1,287,297
1918	273,136	.....	273,136	269,398	1,877	271,275	831,080	73,548	1,175,903
1919	363,095	.....	363,095	316,861	22,964	339,825	1,113,979	78,817	1,532,621
1920	452,546	.....	452,546	723,406	.....	723,406	1,128,743	97,545	1,949,694
1921	552,067	.....	552,067	670,013	404,174	1,074,187	1,259,704	120,680	2,454,571
1922	649,544	.....	649,544	502,487	1,277,951	1,780,438	1,504,719	119,532	3,404,689
1923	609,066	.....	609,066	522,273	1,981,522	2,503,785	1,587,746	184,089	4,285,630
1924	906,004	.....	906,004	684,718	2,036,394	2,721,112	1,559,808	123,598	4,404,518
1925	770,624	.....	770,624	603,212	3,108,593	3,711,805	1,654,549	156,747	5,523,101
1926	785,339	.....	785,339	591,027	3,911,959	4,502,986	1,608,152	130,027	6,241,165

MUNICIPAL EXPENDITURES

Year	Street Paving and Repair			Street Reconstruction			Bridges		
	From Income	From Loans	Totals	From Income	From Loans	Totals	From Income	From Loans	Totals
1900	273,710	.....	273,710	63,196	.....	63,196	15,395	.....	15,395
1901	284,656	.....	284,656	47,551	.....	47,551	26,117	.....	26,117
1902	371,306	.....	371,306	35,487	.....	35,487	35,662	.....	35,662
1903	342,703	.....	342,703	21,803	.....	21,803	44,761	.....	44,761
1904	468,133	.....	468,133	1,641,767	.....	1,958,087	40,293	.....	40,293
1905	615,131	.....	615,131	179,010	316,320	889,130	23,388	.....	23,388
1906	569,009	.....	569,009	42,113	710,120	509,983	20,777	.....	20,777
1907	546,441	.....	546,441	87,276	467,870	555,146	24,730	.....	24,730
1908	549,229	.....	549,229	83,772	399,202	486,478	98,482	.....	98,482
1909	631,802	.....	631,802	21,088	5,970	89,742	12,999	.....	12,999
1910	646,912	.....	646,912	62,399	16,851	79,250	131,957	.....	131,957
1911	576,101	.....	576,101	110,016	83,532	193,548	52,131	.....	52,131
1912	460,786	.....	460,786	136,620	19,126	155,746	44,779	.....	44,779
1913	447,722	.....	447,722	394,479	35,816	430,295	72,493	.....	72,493
1914	497,257	.....	497,257	346,448	55,176	401,624	41,350	.....	41,350
1915	534,577	.....	534,577	201,201	48,824	250,025	55,214	.....	55,214
1916	441,397	.....	441,397	113,114	.....	113,114	39,610	.....	39,610
1917	744,673	.....	744,673	129,662	24,653	154,315	32,543	.....	32,543
1918	672,057	.....	672,057	68,690	.....	68,690	35,900	.....	35,900
1919	838,393	.....	838,393	38,305	.....	38,305	26,099	.....	26,099
1920	1,319,398	.....	1,319,398	23,218	42,479	65,697	30,399	.....	30,399
1921	1,996,441	.....	1,996,441	164,216	.....	164,216	98,785	.....	98,785
1922	1,797,685	.....	1,797,685	73,045	.....	73,045	167,397	.....	167,397
1923	1,615,283	.....	1,615,283	159,300	.....	159,300	168,604	.....	168,604
1924	1,808,706	.....	1,808,706	36,879	.....	36,879	239,012	.....	239,012
1925	1,919,612	.....	1,919,612	28,420	.....	28,420	132,317	.....	132,317
1926	1,744,773	.....	1,744,773	23,639	407,740	431,379	92,654	.....	92,654
				23,639	293,243	316,882	125,296	.....	125,296
							53,808	.....	53,808

MUNICIPAL EXPENDITURES

Year	Street Lighting Totals			Private Paving Totals			Waterways			Highways V		Charities and Corrections VI		
	Totals	From Income	From Loans	Totals	From Income	From Loans	Totals	Grand Totals	Totals	Grand Totals	Totals	Totals	Grand Totals	Grand Totals
1900	339,089	57,566	.....	57,566	.....	.....	809,187	809,187	387,221	58,744	445,965	387,221	58,744	445,965
1901	327,600	71,590	.....	71,590	.....	.....	773,861	773,861	310,037	101,873	411,910	310,037	101,873	411,910
1902	335,018	63,673	.....	63,673	.....	.....	855,419	855,419	336,648	119,064	455,712	336,648	119,064	455,712
1903	359,263	77,309	.....	77,309	.....	.....	876,881	876,881	393,917	126,448	520,365	393,917	126,448	520,365
1904	332,845	66,574	.....	66,574	.....	.....	2,892,946	2,892,946	383,592	124,506	508,098	383,592	124,506	508,098
1905	319,424	31,572	.....	31,572	.....	.....	1,983,987	1,983,987	338,987	134,052	473,049	338,987	134,052	473,049
1906	274,798	110,607	.....	110,607	.....	.....	1,692,533	1,692,533	400,460	178,594	579,054	400,460	178,594	579,054
1907	278,367	98,729	.....	98,729	.....	.....	2,041,021	2,041,021	475,380	248,047	723,427	475,380	248,047	723,427
1908	331,233	165,374	.....	165,374	.....	.....	1,997,464	1,997,464	448,157	234,806	682,963	448,157	234,806	682,963
1909	339,496	137,044	.....	137,044	.....	.....	1,859,693	1,859,693	502,449	285,850	788,299	502,449	285,850	788,299
1910	366,218	100,824	.....	100,824	.....	.....	1,472,705	1,472,705	569,939	305,915	875,854	569,939	305,915	875,854
1911	373,579	77,040	.....	77,040	.....	.....	1,409,017	1,409,017	630,214	210,991	841,205	630,214	210,991	841,205
1912	392,770	88,212	.....	88,212	.....	.....	2,369,738	2,369,738	715,667	77,598	793,265	715,667	77,598	793,265
1913	460,850	82,779	.....	82,779	.....	.....	3,729,539	3,729,539	611,617	199,042	810,659	611,617	199,042	810,659
1914	538,105	89,568	264,891	354,459	89,568	264,891	4,900,452	4,900,452	607,308	192,497	799,805	607,308	192,497	799,805
1915	540,376	87,090	467,301	554,391	87,090	467,301	4,194,896	4,194,896	612,778	209,400	822,178	612,778	209,400	822,178
1916	579,316	70,641	514,193	584,834	70,641	514,193	4,002,412	4,002,412	685,488	198,862	884,350	685,488	198,862	884,350
1917	606,958	87,070	608,260	695,330	87,070	608,260	3,124,492	3,124,492	688,559	205,042	893,601	688,559	205,042	893,601
1918	601,858	136,845	148,425	285,270	136,845	148,425	4,471,508	4,471,508	758,337	232,026	990,363	758,337	232,026	990,363
1919	784,796	362,295	111,541	210,564	362,295	111,541	4,240,447	4,240,447	858,255	236,843	1,095,098	858,255	236,843	1,095,098
1920	872,815	436,680	103,635	540,315	436,680	103,635	4,990,428	4,990,428	1,105,137	287,914	1,393,051	1,105,137	287,914	1,393,051
1921	1,105,538	587,987	327,550	915,537	587,987	327,550	5,435,231	5,435,231	1,021,795	276,850	1,298,645	1,021,795	276,850	1,298,645
1922	1,118,747	377,912	33,997	247,974	377,912	33,997	6,249,264	6,249,264	1,031,878	279,445	1,311,323	1,031,878	279,445	1,311,323
1923	1,174,118	365,585	666,835	899,270	365,585	666,835	5,079,453	5,079,453	1,132,755	291,463	1,424,218	1,132,755	291,463	1,424,218
1924	1,167,783	402,221	209,326	277,895	402,221	209,326	6,514,702	6,514,702	1,188,324	330,454	1,518,778	1,188,324	330,454	1,518,778
1925	1,204,175	386,911	182,040	183,219	386,911	182,040	7,027,927	7,027,927	1,126,552	396,792	1,523,344	1,126,552	396,792	1,523,344
1926	1,265,304	400,166	150,787	402,196	400,166	150,787								

MUNICIPAL EXPENDITURES

Year	Water Supply			Conduits			Public Docks and Wharves		
	From Income	From Loans	Totals	From Income	From Loans	Totals	From Income	From Loans	Totals
1900	978,953	85,243	1,064,196	.....	284,564	284,564	10,699	.....	10,699
1901	795,408	26,405	821,813	.....	188,963	188,963	11,975	.....	11,975
1902	807,408	100,592	908,000	.....	119,068	119,068	18,083	.....	18,083
1903	863,376	61,235	924,611	22,712	103,156	125,868	21,291	.....	21,291
1904	838,290	59,400	897,690	7,760	145,840	153,600	140,695	3,013	143,708
1905	1,245,330	17,629	1,262,959	82,151	234,404	316,555	384,517	2,118,038	2,502,555
1906	932,762	71,362	1,004,124	26,640	185,572	212,212	13,266	832,480	845,746
1907	998,491	67,637	1,066,128	23,537	225,748	249,285	76,944	596,058	673,002
1908	1,282,257	116,911	1,399,168	8,695	195,256	203,951	520,384	.....	520,384
1909	1,110,505	439,648	1,550,153	8,781	231,496	240,277	585,845	99,375	685,220
1910	1,023,042	213,688	1,237,330	8,589	322,986	331,575	86,591	309,077	397,668
1911	1,062,930	208,090	1,271,020	8,635	226,496	235,131	22,562	460,051	482,613
1912	1,147,396	617,952	1,765,348	10,647	204,075	214,722	10,915	682,811	693,726
1913	1,244,503	966,204	2,210,707	10,699	504,948	515,647	7,299	406,769	414,068
1914	1,250,869	1,402,817	2,653,686	12,966	558,392	571,358	8,928	493,501	502,429
1915	1,401,314	1,162,678	2,563,992	12,406	578,264	590,670	14,972	25,476	40,448
1916	1,175,799	154,729	1,330,528	9,888	273,428	283,316	12,350	35,533	47,883
1917	1,248,381	35,568	1,283,949	10,405	.....	10,405	40,089	2,622	42,711
1918	1,215,833	.....	1,215,833	9,399	112,848	122,247	.....	30,594	30,594
1919	1,634,290	.....	1,634,290	11,383	305,119	316,502	29,643	.....	29,643
1920	2,054,099	.....	2,054,099	13,792	146,455	160,247	130,542	8,881	139,423
1921	1,587,859	4,453,595	6,041,454	37,683	394,387	432,070	80,794	.....	80,794
1922	1,554,778	4,462,586	6,017,364	46,490	454,836	501,326	38,152	.....	38,152
1923	1,799,182	2,809,587	4,608,769	31,374	374,605	405,979	39,097	.....	39,097
1924	1,534,083	2,678,605	4,212,688	94,970	151,335	246,305	45,507	.....	45,507
1925	1,785,599	3,272,035	5,057,634	53,221	390,058	443,279	56,440	.....	56,440
1926	1,820,306	1,479,096	3,299,402	49,914	297,858	347,772	46,097	.....	46,097

THE TAX RATE AS APPORTIONED FOR VARIOUS PURPOSES

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916
Police	\$.278	.333	.315	.321	.375	.373	.347	.372	.346	.350	.346	.338	.323	.327	.305	.317	.309
Certain expenses...	.081	.062	.061	.062	.067	.073	.067	.065	.063	.064	.060	.064	.060	.077	.060	.059	.062
Schools	.305	.306	.478	.407	.443	.382	.427	.365	.353	.345	.422	.345	.354	.411	.369	.390	.399
City Poor	.118	.136	.141	.166	.167	.180	.173	.181	.186	.222	.216	.198	.183	.181	.181	.185	.182
City direct	.437	.496	.552	.446	.522	.562	.464	.475	.456	.377	.312	.457	.464	.227	.255	.093	.224
Opening streets...	.007	.006	—	.005	—	.005	—	—	—	—	—	—	—	—	—	—	—
Interest on debt...	.278	.310	.297	.294	.321	.360	.341	.337	.353	.375	.416	.348	.231	.510	.553	.619	.693
Sinking Funds....	.162	.162	.162	.162	.162	.177	.177	.177	.177	.213	.215	.225	.273	.275	.254	.254	.258
Totals	\$1.670	1.815	1.950	1.867	2.060	2.115	2.000	1.975	2.000	1.950	1.990	1.980	1.890	2.010	1.980	1.920	2.130
General Government.....								\$.227	.201	.217	.262	.302	.260	.245	.350	.210	.165
Protection to persons and property.....								.333	.327	.363	.542	.561	.542	.572	.531	.516	.499
Conservation of health.....								.046	.038	.045	.071	.052	.073	.075	.085	.063	.059
Promotion of cleanliness and sanitation.....								.178	.181	.201	.283	.224	.231	.234	.240	.193	.170
Highways								.166	.175	.188	.318	.334	.319	.307	.251	.203	.180
Charities and corrections.....								.120	.106	.102	.147	.179	.145	.135	.137	.127	.118
Education								.249	.277	.346	.575	.610	.695	.666	.649	.603	.624
Recreation								.006	.010	.002	.005	.001	.003	.001	.002	.003	.004
Interest on debt.....								.381	.407	.260	.429	.429	.443	.479	.416	.397	.419
Sinking Funds.....								.254	.270	.264	.255	.255	.237	.228	.209	.195	.174
Pensions								.014	.013	.017	.013	.016	.017	.020	.026	.064	.062
Public service enterprises.....								—	—	—	.053	—	—	—	—	—	—
Totals								\$1.980	2.010	2.010	2.970	2.970	2.970	2.970	2.900	2.580	2.480

THE TAXABLE BASIS

Year	Old City and Old Annex		New Annex		Total Taxable Basis
	Real	Personal	Real	Personal	
1900	253,986,582	148,527,849	.....	.....	402,514,431
1901	258,093,371	172,686,251	.....	.....	430,779,622
1902	262,219,974	232,416,250	.....	.....	494,636,224
1903	264,160,549	227,494,112	.....	.....	491,654,661
1904	266,039,627	245,437,159	.....	.....	511,476,786
1905	292,789,957	255,732,106	.....	.....	548,522,063
1906	306,618,891	289,272,991	.....	.....	595,791,882
1907	325,723,818	298,758,772	.....	.....	624,482,590
1908	370,137,707	305,263,665	.....	.....	675,401,372
1909	362,717,951	319,915,365	.....	.....	682,633,316
1910	361,650,644	336,484,524	.....	.....	698,135,168
1911	372,651,502	351,148,838	.....	.....	723,800,340
1912	383,965,605	357,943,707	.....	.....	741,909,312
1913	400,181,826	381,509,268	.....	.....	781,691,094
1914	417,976,764	400,126,549	.....	.....	818,102,313
1915	433,621,158	402,065,020	.....	.....	835,686,178
1916	453,527,449	414,898,666	.....	.....	868,246,115
1917	471,908,201	443,525,243	.....	.....	915,433,444
1918	485,219,533	453,646,305	79,288,995	45,595,457	1,063,750,290
1919	495,489,444	461,607,456	81,323,115	47,929,837	1,086,349,852
1920	554,990,584	478,214,783	89,109,781	50,967,759	1,173,282,907
1921	597,938,892	497,877,696	102,766,954	51,062,889	1,248,646,431
1922	649,853,427	501,769,013	121,213,972	52,882,509	1,325,718,921
1923	698,800,075	519,964,849	145,681,207	52,634,853	1,417,090,984
1924	743,468,545	558,372,549	189,454,700	63,774,183	1,555,069,977
1925	803,314,115	587,620,940	202,253,818	64,797,499	1,657,986,372
1926	834,854,575	705,399,886	224,906,100	26,922,195 ¹	1,792,082,756

¹ Securities listed under personal of old city.

MUNICIPAL INDEBTEDNESS

Year	The Funded Debt			Net Decrease	Gross Debt	Temporary Loans		Paving Notes	
	Increases	Redemptions	Net Increase			Received From	Expended For	Issues	Redemptions
1900	5,981,500	863,700	5,117,800	.....	40,003,882	300,000	300,000	.....	.....
1901	210,000	49,200	160,800	.....	40,164,682	.....	.....	.....	.....
1902	1,190,000	1,504,500	.....	314,500	39,850,182	.....	.....	.....	.....
1903	115,000	700	114,300	.....	39,964,482	.....	.....	.....	.....
1904	340,000	341,600	.....	1,600	39,962,882	200,000	200,000	.....	.....
1905	3,365,000	14,700	3,350,300	.....	43,313,182	125,000	125,000	.....	.....
1906	1,151,500	300	1,151,200	.....	44,464,382	50,000	50,000	.....	.....
1907	2,291,900	.....	2,291,900	.....	46,756,282	1,314,650	.....	.....	.....
1908	5,232,600	.....	5,232,600	.....	51,988,882	.....	1,314,650	.....	.....
1909	4,595,200	.....	4,595,200	.....	56,584,082	500,000	500,000	.....	.....
1910	5,063,400	.....	5,063,400	.....	61,647,482	500,000	500,000	.....	.....
1911	2,947,900	.....	2,947,900	.....	64,595,382	.....	.....	.....	.....
1912	6,699,000	1,000	6,698,000	.....	71,294,382	.....	.....	.....	.....
1913	8,125,000	501,703	7,623,297	.....	78,917,679	500,000	.....	.....	.....
1914	8,550,000	.....	8,550,000	.....	87,467,679	2,250,000	750,000	.....	.....
1915	9,325,000	.....	9,325,000	.....	96,782,619	.....	2,000,000	.....	.....
1916	1,775,000	4,358,100	.....	2,583,100	94,209,579	.....	.....	685,000	.....
1917	1,384,000	36,000	1,348,000	.....	95,557,579	.....	.....	.....	.....
1918	564,000	114,100	449,900	.....	96,007,479	.....	.....	.....	.....
1919	775,000	120,000	655,000	.....	96,662,479	.....	.....	350,000	.....
1920	1,088,000	1,663,000	.....	575,000	96,087,479	.....	.....	388,000	200,000
1921	11,488,000	131,000	11,357,000	.....	107,444,479	4,500,000	4,500,000	325,000	375,000
1922	11,811,000	1,827,000	9,984,000	.....	117,428,479	5,500,000	5,500,000	.....	285,000
1923	9,099,000	6,535,818	2,563,182	.....	119,991,661	4,000,000	2,000,000	100,000	275,000
1924	11,496,500	1,476,064	10,020,436	.....	130,012,097	16,000,000	18,000,000	.....	188,000
1925	8,978,500	3,667,400	5,311,100	.....	135,323,097	3,000,000	3,000,000	.....	100,000
1926	18,822,000	2,522,953	16,299,047	.....	151,622,244	11,000,000	11,000,000	.....	.....

Year	7% of Taxable Basis	The Net Debt
1900	28,176,010	25,248,429
1901	30,154,573	24,635,894
1902	34,624,535	16,182,028
1903	34,415,826	15,407,265
1904	35,803,375	19,760,738
1905	38,396,544	22,135,722
1906	41,705,431	22,507,046
1907	43,713,781	23,910,020
1908	47,278,096	27,888,378
1909	47,784,332	31,046,723
1910	48,869,461	35,058,798
1911	49,666,023	36,906,741
1912	51,933,641	41,488,473
1913	54,718,376	46,890,609
1914	57,267,161	52,472,659
1915	58,498,031	59,080,935
1916	60,777,228	58,861,789
1917	64,080,341	58,779,505
1918	74,462,520	57,487,145
1919	76,044,489	56,302,288
1920	82,129,803	55,363,566
1921	87,405,250	60,394,903
1922	92,800,324	63,520,256
1923	99,196,368	65,801,241
1924	110,054,898	71,809,405
1925	116,059,044	77,805,277
1926	125,445,792	91,227,743

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¹ Newspaper files, general treatises on public finance and municipal government, and general articles on public finance and municipal government published in periodicals and in the proceedings of organizations devoted to the study of such problems are not included here.

VITA

Leonard Owens Rea was born in Portsmouth, Virginia, in December 1901. He received his primary and secondary education in the public schools of Baltimore. He entered The Johns Hopkins University in 1920 and in 1924 received the A. B. degree. He entered the graduate school of the University in 1924, devoting himself chiefly to the study of political economy, and also taking courses in political science and history. He was appointed to the Professorship of Business Administration at Catawba College, Salisbury, North Carolina, in February 1928.

